

Cabinet Agenda

Monday, 5 September 2016 at 6.00 pm

Council Chamber, Upper Ground Floor, Aquila House, Breeds Place, Hastings,
East Sussex, TN34 3UY

For further information, please contact Michael Courts on 01424 451764 or email
mcourts@hastings.gov.uk

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Present: Councillors Chowney (Chair), Forward, Cartwright, Poole, Atkins, Davies, Fitzgerald and Lee

19. **MINUTES OF THE MEETING HELD ON 4 JULY 2016**

RESOLVED that the minutes of the meeting held on 4 July 2016 be approved and signed by the chair as a correct record of the meeting

RESOLVED the Chair called over the items on the agenda, under rule 13.3 the recommendations set out in minute number 22 were agreed without being called for discussion

MATTERS FOR CABINET DECISION

20. **EUROPEAN MARITIME FISHERIES FUND COMMUNITY LED LOCAL DEVELOPMENT (HASTINGS FLAG (2))**

The Assistant Director, Regeneration and Culture, presented a report which advised Cabinet of the success of a first stage bid for European Maritime Fisheries Fund Community Led Local Development (Hastings Fisheries Local Action Group 2) (EMFF CLLD Hastings FLAG 2).

The report acknowledged that fisheries faced significant challenges due to declining income and employment in this sector. The FLAG programme aimed to assist local fisheries communities in utilising the knowledge of local stakeholders to address these challenges.

The proposals for FLAG 2 were intended to develop the successful outcomes of the first FLAG programme. The FLAG board had received confirmation from the Marine Management Organisation (MMO) in April 2016 that its first stage bid to secure a second round of FLAG funding had been successful. The report set out the timetable for submitting a stage 2 bid to the MMO. The council and its partners had been required to submit a Local Development Strategy (LDS), detailing the delivery plan of the second FLAG programme, which could last for up to 3 years.

The Assistant Director, Regeneration and Culture, amended the second recommendation of the report, as set out in the resolution below, to reflect that the LDS had been submitted on 5 August 2016, in order to comply with the timetable set by the MMO.

Consideration was given to the impact of the recent referendum decision to leave the European Union on the availability of FLAG funding. The council had been advised that Hastings was still eligible to apply for funding under the FLAG 2 programme, but it was unlikely it would be able to bid for future rounds.

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Cabinet thanked all those who had been involved in supporting the first FLAG programme and developing the bid for the second round of funding.

Councillor Poole proposed approval of the amended recommendations to the Assistant Director, Regeneration and Culture's report, as set out in the resolution below, which was seconded by Councillor Fitzgerald.

RESOLVED (unanimously) that Cabinet:

- 1) **Notes the current position with regard to CLLD EMFF funding and the Hastings FLAG;**
- 2) **Notes that a LDS was submitted to the MMO on 5 August 2016, in order to comply with the timetable for the stage 2 bid process**
- 3) **Approves the continued role of the council as lead partner in the management and delivery of the FLAG programme subject to confirmation of funding to deliver the LDS**

The reason for this decision was:

The report gives an update on the CLLD EMFF FLAG funding, and the draft proposed areas of activity within the LDS. The deadline for submission of the LDS was 5 August 2016. If it is approved by the MMO, who is the UK Managing Authority for the UK FLAG programme, it is anticipated that implementation of the programme would commence in the first quarter of 2017.

21. HEALTHY HASTINGS & ROTHER PROGRAMME

The Assistant Director, Housing and Built Environment, presented a report to update members on the delivery of council-led projects within the NHS Hastings and Rother Clinical Commissioning Group's (CCG) Healthy Hastings and Rother (HHR) programme in 2015/16 and set out proposals for projects to be undertaken in 2016/17. Cabinet also welcomed Richard Watson, Programme Manager for the CCG, to the meeting and thanked him for attending.

Reducing health inequalities was a priority for the council and East Sussex Better Together, a joint programme between the local NHS and East Sussex County Council. In July 2015, Cabinet had approved a programme of work, funded by the NHS Hastings and Rother CCG to address the key thematic areas of preventing ill health, supporting people experiencing health inequalities, health and wellbeing centres and housing – people and places. The 2015/16 programme of activities had now been implemented, and the report gave an update on each of the projects. The CCG governing body had also approved four key recommendations regarding the development of health and wellbeing centres, following a community engagement and consultation project which had been undertaken in December 2015.

Experience from the previous year's programme suggested it would be beneficial to focus subsequent rounds on fewer, but larger scale, projects. The 2016/17 programme continued to address health inequalities in the most deprived parts of Hastings, St

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Leonards and Bexhill, focused on health and wellbeing centres, healthy homes – people and healthy homes – places.

Members commented that these projects provided an innovative approach to partnership working to address a significant issue affecting the quality of life of local residents.

Councillor Forward proposed approval of the recommendations to the Assistant Director, Housing and Built Environment's report, which was seconded by Councillor Cartwright.

RESOLVED (unanimously)

- 1) **To note progress with the delivery of HBC led projects within the CCG Healthy Hastings and Rother Programme;**
- 2) **To note the outcome from Health and Wellbeing Centre(s) consultation project;**
- 3) **To agree to implement sustainability partnerships within existing community centres (initiative 1) in partnership with the CCG;**
- 4) **To approve the development and delivery of the new projects in 2016/17 as described in the report, within the financial resources available, and;**
- 5) **To authorise the Director of Operational Services to take the necessary steps to develop and deliver the projects in consultation with the Deputy Leader**

The reason for this decision was:

- 1) The council has long held the position that good health is a key factor in determining the quality of people's lives and that health inequality is a significant outcome of and contributor to poverty.
- 2) If members approve the projects and initiatives outlined in this report it is necessary to provide the authorisations to allow the development and delivery of the funded projects.
- 3) As public sector budgets reduce it becomes ever more essential for public sector partners to co-operate in addressing issues of exclusion and inequality. This work may help to lay the basis for integrated work in the future.

22. CONNECTING HASTINGS AND ROTHER TOGETHER - COMMUNITY LED LOCAL DEVELOPMENT (CHART CLLD) (PART II)

The Assistant Director, Regeneration and Culture, submitted a report to brief members on the submission of the Local Development Strategy (LDS) which was due on 31 August 2016.

RESOLVED – the report was for information only

The reason for this decision was:

Delegated authority was given to proceed with the multi-stage CLLD application of the CHART bid at the 2 November 2015 Cabinet.

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(The Chair declared the meeting closed at. 6.33 pm)

Agenda Item 5

Report to: Cabinet

Date of Meeting: 5 September 2016

Report Title: Management response: Overview and Scrutiny Review of Community Safety

Report By: Jane Hartnell Director of Corporate Resources and Governance

Purpose of Report

To provide a management response to recommendations made by the Overview and Scrutiny Review team.

Recommendation(s)

- 1. That Cabinet thank the scrutiny review team for their report**
- 2. That Cabinet approve the recommendations of the Scrutiny Review Team**

Reasons for Recommendations

To acknowledge and respond to the recommendations arising from the work undertaken by the Scrutiny Review Team.

Introduction

1. As part of the 2015/16 overview and scrutiny annual work programme a review on Community Safety was undertaken.
2. The purpose of the review was to examine the council's role in terms of existing and future community safety provision in the context of a challenging financial climate.
3. The review considered: performance over recent years as a means of assessing the current community safety landscape; proactive interventions made by the council and partners through the Safer Hastings Partnership; the Sussex Local Policing Model and associated implications for Hastings including the Resolution Centre and St Leonards Police Hub; changes to Adult Social Care and implications for Seaview, before reflecting on the subsequent outlook for the town.

Recommendations

4. The review concluded with the following recommendations:

Recommendation 1

A copy of the final report of the review be circulated to key partners including; the Leader of East Sussex County Council, Police and Crime Commissioner, Member of Parliament and the Chair of the Health Overview and Scrutiny Committee.

Recommendation 2

To write to the Police and Crime Commissioner in support of the Police Hub in Central St Leonards

Recommendation 3

To support the work of the Safer Hastings Partnership (a list of council interventions is appended to the Scrutiny report)

Recommendation 4

To support the merger of Hastings and Rother crime reduction partnerships to reflect the structure of the policing district. During the pilot the crime reduction partnership will need to ensure that resources are focused on the areas of greatest need. However, the review team were not in favour of a combined crime reduction partnership covering the whole of East Sussex.

Recommendation 5

To highlight the important work carried out by Seaview in supporting vulnerable people in the town. The joint Hastings and Rother crime reduction partnership will monitor the impact on community safety of any changes to service provision by Seaview, as a result of reductions to their budget.

Recommendation 6

That Hastings Borough Council continues to allocate funding towards community safety interventions.

Management Response

5. Recommendations 1-5 are unequivocally supported in this management response.
6. Recommendation 6 is also supported, however it will be important that the decision to allocate funding towards community safety should not take place in isolation from a raft of council services that if reviewed by Scrutiny may also warrant such a recommendation. The scale and extent of such funding is subject to a challenging budget setting and corporate planning process underway for 2017/18. Of course the Council also continues to fund a range of community safety activities e.g. domestic violence work via the Community Partnerships Funding process.

Wards Affected

None

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	No
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

Additional Information

<https://hastingsintranet.moderngov.co.uk/documents/s13064/Final%20Report%20Overview%20and%20Scrutiny%20Review%20of%20Community%20Safety.pdf>

Officer to Contact

Officer Name Mark Horan
Officer Email Address mhoran@hastings.gov.uk
Officer Telephone Number 01424 451485

Agenda Item 6

Report to: Cabinet

Date of Meeting: 5 September 2016

Report Title: Management response: Overview and Scrutiny Review of Digital Inclusion

Report By: Simon Hubbard Director of Operational Services

Purpose of Report

To provide a management response to recommendations made by the overview and scrutiny review team.

Recommendation(s)

- 1. That Cabinet thank the scrutiny review team for their report**
- 2. That Cabinet approve the recommendations of the scrutiny review team**

Reasons for Recommendations

To acknowledge and respond to the recommendations arising from the work undertaken by the scrutiny review team.

Introduction

1. As part of the 2015/16 overview and scrutiny annual work programme a review on Digital Inclusion was undertaken.
2. The review focused on a key aspect of the council's organisational transformation programme, in particular the development of the My Hastings online initiative and the Digital by Design project.
3. Members were keen to understand how the council and its partners identify and support those who are as yet unable to benefit from services online, including existing training opportunities to improve computer skills and provision of public access computers and free Wi-Fi around the town.
4. The scrutiny report provides a thorough overview of the evidence base underpinning the council's My Hastings online initiative and the Digital by Design project and gives useful insight into local activity underway to address digital exclusion including a helpful analysis of local public Internet access points and training opportunities.

Recommendations

5. The review concluded with the following recommendations based on the recommendations of the Government's Digital Inclusion Checklist:
6. Arrange a Digital Inclusion networking meeting, inviting local organisations and partners to share knowledge, experience and identify local gaps in provision.
7. Continue to improve knowledge of current local provision and activities to tackle digital exclusion and promote widely.
8. Continue to collaborate with partners across public, private and voluntary sectors to help people get on-line.
9. Maintain a watching brief and analysis of digital exclusion in the borough. Continue to work in partnership and draw down funding to deliver local projects that help local people get on-line and become more digitally included.
10. Continue to work in partnership and apply for funding to deliver local projects that help local people get on-line, become digitally skilled and digitally included.

Management Response

11. The recommendations rightly imply that addressing digital exclusion will require sustained partnership efforts and the broader report points to the financial challenges facing local authorities and their partners that, in part, influence and reinforce increasing provision of services online.
12. What is less explicit from the report and the recommendations set out are those potential next steps required to progress those recommendations.
13. In particular, there is a question around internal officer capacity to coordinate joined working on this agenda, and the extent of continued partnership capacity to actively and collectively support this agenda against other competing demands and priorities?
14. It is accepted that the outcome associated with the networking meeting recommendation proposed in paragraph 6 may give further clarity in this regard and the report clearly emphasises the breadth of activity already underway across the borough.
15. The outcome of this recommendation will be crucial in determining how subsequent recommendations are best met.
16. It is also understood that ongoing work with regards to the recommendations and the wider digital agenda is scheduled as a distinct work package ((5) 'Assisted Digital & Digital by Choice') within the council's transformation programme.
17. This enables both Cabinet and scrutiny to retain focus on progress against these recommendations, as the transformation programme is monitored quarterly through the council's performance management process.
18. Furthermore it is also noted that as part of the scrutiny work programme for 2016/17 that an update report against the recommendations set out in this review has already been timetabled.

19. In conclusion, each of the recommendations set out are fully supported by senior management.

20. This response is confident that following the meeting proposed by the recommendation in paragraph 6, subsequent work internally and with partners to progress the recommendations will be effectively managed through work package five of the council's transformation programme.

Wards Affected

None

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	No
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

Additional Information

<https://hastingsintranet.moderngov.co.uk/documents/s13067/Final%20Report%20of%20the%20Overview%20and%20Scrutiny%20Review%20of%20Digital%20Inclusion.pdf>

Officer to Contact

Officer Name: Mark Horan
Officer Email Address: mhoran@hastings.gov.uk
Officer Telephone Number 01424 451485

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Agenda Item 7



Report to: Cabinet

Date of Meeting: 5 September 2016

Report Title: Community Partnership Funding 2017 - 2019

Report By: Monica Adams-Acton
Assistant Director for Regeneration and Culture

Purpose of Report

To set out the recommendations for the Community Partnership Funding (CPF) 2017 - 2019 programme.

Recommendation(s)

That Cabinet adopts a commissioning approach to future Community Partnership rounds with a focus on the new priorities as set out in the report.

Reasons for Recommendations

The current round of CPF comes to an end in March 2017. The proposals set out in this report have been developed following a consultation process with the community and voluntary sector. Many of the organisations responding to the consultation (Appendix 1) generally agree with the proposed new priorities and commissioning process.

Background

1. The current round of CPF comes to an end in March 2017. The previous round was agreed and commissioned in 2014 covering the 2015-16 & 2016-17 programme.
2. With continued pressures on the Council's budget over the next two years, and the need to focus on the most vulnerable in our community, the council reviewed the 2017 – 19 programme priorities to establish its future for the next two years.
3. The review was conducted in consultation with the local community and voluntary sector between 20th June 2016 to 8th August 2016.
4. During the consultation process, the council received feedback from ten organisations, a summary of which is provided in Appendix 1 (CPF Consultation Feedback). This also provides the Council's response to the consultation feedback.
5. In general, most organisations supported or understood the need to focus on a reduced number of priorities, targeting support for services that are needed by the most vulnerable residents in Hastings.

CPF - previous programme (2015-17)

6. The total funding levels for the 2015-17 programmes were £ 278,967 in 2015-16, and £260,277 in 2016-17. There were five thematic areas - job creation/ employment, advice services, safer communities, active involvement of residents, and digital inclusion - with broad outcomes set for each. 13 organisations were awarded funding to deliver various projects covering all these thematic areas.

The new CPF Programme (2017-19)

7. The proposed new approach to delivering the CPF Programme would involve commissioning services from the community and voluntary sector for specifically identified outcomes.
8. The Council wishes to prioritise services to the most vulnerable in our community, recognising the need to maintain a basic level of support at a time of public sector cuts. Although it has always encouraged new and innovative funding bids, it also recognises the importance of maintaining key existing services.
9. Following consultation with the community and voluntary sector the council's new CPF Programme priorities will be as follows:
 - a. Housing, Legal, Welfare and Debt Advice
 - b. Domestic Violence Support
 - c. Advice and support to organisations (voluntary sector infrastructure support)
 - d. Rough Sleepers Outreach Support
 - e. Advice and support to migrant and newly settled communities
10. The priorities will be commissioned by providing a broad specification for each of the service areas and inviting applications using an adapted version of the current

CPF application form. Comments during the consultation about being proportionate in the commissioning process will be taken into account.

11. The Council believes there are clear advantages to these new proposals:

- Focusing on selected outcomes rather than broad priorities enables the Council to assist the community and voluntary sector fill gaps and complement councils' services that are not met by other programmes or not available generally.
- With improved clarity on the priorities, fewer organisations will waste valuable resources completing detailed applications where their chances of receiving funding are generally low.
- The proposed approach enables the Council to maintain the CPF programme over two further years.

12. The Council recognises that these proposals will have an immediate impact on some traditionally funded organisations. This does not mean the council will stop seeking alternative funding to support the other priorities such as digital inclusion, employment and business support and other community support activities. An example of this is the Community Led Local Development proposals currently being developed with more than six voluntary and community sector partners to address a wide range of social and economic inclusion issues.

13. However, with continued pressure on our budgets, we believe focusing investment on these key outcomes maintains a level of support for local residents provided by the community and voluntary sector over the next two years.

14. The Council timetable for the 17/18 CPF Programme is as follows:

June / July 16 – consultation on CPF priorities and process

August/ September 16 -Cabinet approval of priorities and process

Early September 16 - open programme commission

Mon 10th October 16 - Closing date for submission of application forms

Fri 14th October 16 - applications to panel members

Mon 31st October 16 (w/c) - application panel

Fri 11th November 16 - deadline for report completion

Mon 5th December 16 - Cabinet meeting approval

15. The proposed changes to the CPF Programme 2017 –19 relates to the funding priorities and the process rather than the level of funding available, which will be set as part of the Council's normal budgeting process.

16. The Council faces significant financial challenges, and therefore the narrowing of the CPF priorities and the commissioning approach will best ensure that future budgets are concentrated on supporting services that are directed to the most vulnerable in the community.

Policy Implications

Equalities and Community Cohesiveness



INVESTOR IN PEOPLE



The CPF programme funds a wide range of services which supports improved equality of service and community cohesion. The reduction in priorities will affect some organisations' ability to deliver services they currently provide.

Crime and Fear of Crime

The CPF programme intends to fund a Domestic Violence reduction service which helps to reduce crime and fear of crime.

Economic/Financial Implications

The Council needs to determine the level of funding available to fund the CPF programme over the next two years. It has not been possible to agree this at this stage of the CPF programme.

Organisational Consequences

The final prioritised program and the process will have an impact on the level of resources required to commission CPF projects and monitor their progress their after, allowing for a more efficient process and use of limited resources.

Local People's Views

A seven week consultation process was conducted between 20th June 2016 and 8th Aug 2016.

Anti-Poverty

The CPF programme maintains prioritised free services for the benefit of local people.

Wards Affected

All

Policy implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	Yes
Crime and Fear of Crime (Section 17)	Yes
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	Yes
Local People's Views	Yes
Anti-Poverty	Yes

Background Information

Appendix 1- **Community Partnership Funding 2017-19 Consultation Feedback**

Officer to Contact

Pranesh Datta
pdatta@hastings.gov.uk
01424 451784

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Appendix 1

Hastings Borough Council Community Partnership Fund (CPF)

Summary of consultation Feedback on CPF priorities and process for 2017-19

The CPF consultation document (**attached below –page 6**) sets out draft proposals for the Community Partnership Funding (CPF) 2017-19 programme. The consultation process began on 20th June 2016 and closed on 8th August 2016.

There were ten written responses to the proposals all from the community and voluntary sector with most in receipt of council funding at the moment.

In summary, the council proposed the following:

That future CPF programmes are likely to be smaller in scale and the Council believes funding should be directed towards supporting the most vulnerable residents in the borough.

The focus will be on the following priority areas:

- 1) Housing, Welfare and Debt advice
- 2) Domestic Violence
- 3) Advice and support to community organisations
- 4) Rough Sleepers' support
- 5) Advice to migrant and newly settled communities

These priorities will be commissioned via specifically detailed specifications to be delivered by the community and voluntary sector. The Council also stated that a decision on the overall funding available will take place during autumn 2016 and was not part of this consultation process.

Summary of feedback from the community and voluntary sector

Ten organisations responded to the consultation and this is a summary of the main points raised in the feedback. Copies of the actual responses are available on request. Where possible we have kept the responses anonymous.

Main points:

- 1) Most organisations understood the financial pressures on the Council and agreed with the proposal to reduce the number of priorities and focus on the needs of the most vulnerable residents in the borough. Some fully supported the proposed changes.

HBC response: The council appreciates the positive comments from most organisations and hopes to work with the community and voluntary sector to continue to grow and provide active interventions in the community.

- 2) Several organisations argued that CPF enabled a greater number of organisations to function (with small amounts of funding) and attract other funding as match.

HBC response: There are currently several small grants programmes of considerable value delivered by our partners e.g. Clinical Commissioning Group, Sussex Community Foundation, Big Lottery and the Foreshore Trust. These programmes address a wide range of priorities, but we accept some of these do not cover core costs. The council has had to focus on fewer priorities in order to focus on services that help the most vulnerable in our communities.

- 3) An organisation was surprised that economic development and support for the business community was excluded from the list of priorities, especially in the light of the current economic uncertainty

HBC response: The council still sees supporting local businesses as a key economic priority. We will continue to work with LDBG to access alternative funding for businesses support activities. The Council is currently preparing several funding bids to support economic and employment support projects in the town, and continues to support the business services provided by Locate East Sussex.

- 4) Feedback comment: 'We previously received funding to run mental and emotional wellbeing programmes for residents of Hastings and the surrounding areas. It is a service that was established to 'fill a gap' and provided preventative support to adults whose mental and emotional wellbeing is low and is impacting on their life functioning.'

HBC response: The above programme approved during the previous CPF round has had a positive impact on those using the service. The council recognises that by focusing on fewer key priorities it will no longer be able to fund some innovative and specialist services.

- 5) Feedback comment: 'HBC is either keen to just hand out some money to established organisations already engaged in delivering in the priority areas which on face of it would reduce the cost of delivering funding or has not noticed that each of these priorities are covered by several organisations already. In a town with high levels of young people without gainful or useful occupation and low levels of both self-esteem and aspiration, to cut this group out of the priorities is unfair.'

HBC response: The Council is committed to supporting the needs of all young people in the town. It employs a worker to support the work of the Youth Council, offers 'youth grants', and is engaged in several projects to help young people access work and training.

The commissioning process of the CPF programme will ensure it is open to the whole of the voluntary sector in Hastings to provide the service specified.

- 6) Feedback comment: 'HBC should hold some funds specifically to allow the sector to demonstrate to other funders that they have some matched funding from their Local Authority. This is a powerful way of demonstrating support with the effect of enabling much greater amounts to be leveraged in to a possible overall spend on target groups/ issues.'

HBC response: Ability to attract match funding will be a key consideration in the assessment of all funding applications. It should also be recognised that the Council is no longer the key funder for most voluntary and community sector organisations; however, it would like to see its funds being actively used to match larger funding bids. The council is happy to provide support to organisations to submit funding applications where possible.

- 7) Feedback comment: 'Funding for Hastings Community Transport and in particular for the Dial-a-Ride (DAR) service is at risk with this approach. The DAR service will be at risk if funding ceases.'

HBC Response: The Council recognises the risk to the organisation. However, the service it provides is not a free service and we believe there are currently comparable services from various taxi companies in the area.

- 8) Feedback comment: 'We are a long established small charity providing assistance to people with impaired mobility to access town centre shops and businesses usually through the loan of powered scooters or manual wheelchairs. The service allows users to maintain independence and a better quality of life.'

HBC Response: Hastings Shopmobility is an important service for town centre users supported by the council for many years. Given the reduction in council resources, we now believe shops in Priory Meadow and other town centre businesses should now take full responsibility for supporting this service.

- 9) Feedback comment: 'I would like to see additional discussion about how we as providers and commissioners ensure that the funding we receive from all the different sources is better co-ordinated to enable the client journey to be managed in the most effective way possible.'

HBC response: Co-ordination of different funding streams for the same organisation is an ambition the council supports but quite difficult to achieve. This is because of the different time frames for funding, the decision making processes and varying funding priorities. We would however like to discuss with appointed organisations the specialist service needing support.

- 10) Feedback comment: 'Voluntary sector funding has diminished significantly and the report gives the impression that the sector has "assimilated" the cuts by a mixture of independent income and seeking alternative funding. This may be true, to a certain extent for some organisations, but a potentially misleading picture.'

HBC response: Funding for the local voluntary sector has significantly changed over the last few years and is no longer simply reliant on the Borough Council. There are alternative funders of the sector and this is what the consultation document was attempting to assert.

- 11) Feedback comment: 'Whilst the areas for investment clearly relates to HBC strategic priorities some of the areas no longer a priority also align just as closely. It seems clear that the alignment has not changed but reducing the budget is the sole reason for making the decision. We are concerned that job creation and digital inclusion are no longer regarded as priorities for continued investment.'

HBC response: The selected priorities for continued support will be for the next two years and are considered to be important for our most vulnerable residents. However, this does not mean the council will stop seeking alternative funding to support the other priorities. An example of this is the Community Led Local Development proposals currently being developed with more than six voluntary and community sector partners.

12)Feedback comment: ‘The report makes no mention of the impact of the EU referendum as adding to the financial pressures faced by the sector over the next 2-3 period and beyond.’

HBC response: The consultation process started (20th June) prior to the referendum. The impact of the result is uncertain but everyone recognises that the budget pressures on local authorities will continue. This review is being conducted due to the pressures on HBC budgets over the next two years.

13)Feedback comment: ‘It may be arguable that consideration should be given to extending current arrangements rather than embarking in an “open” procurement process which leads to the same result.’

HBC response: Procurement of services by the council needs to be as open and transparent as possible.

14)Feedback comment: ‘We believe that further evidence would be required to support the contention that the revisions to CPF would enable the council to fill gaps in current funding. If the council is asserting that funding for those areas which the Council are no longer supporting is more accessible than the remaining ones on what evidence is this based?’

HBC response: Most of the services identified as priorities by the council are also those which relate to its statutory responsibilities. This is how the needs and gap have been identified, and the specifications for the new services will reflect these requirements. Funding for infrastructure support is to maintain the ability of smaller voluntary sector organisations to continue to attract funding and work directly with local communities.

Consultation Document on CPF priorities and process for 2017-19

This consultation document sets out draft proposals for the Community Partnership Funding (CPF) 2017-19 programme. The consultation process will be open from 20th June 2016 to 17th July 2016. All written responses to the proposals, particularly from the community and voluntary sector, should be forwarded to pdatta@hastings.gov.uk.

The Council wishes to prioritise services to the most vulnerable in our community, recognising the need to maintain a basic level of support at a time of cuts. Although it has always encouraged new and innovative funding bids, it also recognises the importance of maintaining key existing services.

The Council's Cabinet will consider a final set of proposals taking any comments received into account, following which the commissioning process for the programme will start with provisional decisions expected in December 2016. The final budget will be agreed at the Council's Budget Cabinet meeting in February 2017.

Introduction

The current round of Community Partnership Funding comes to an end in March 2017. The previous round was agreed and commissioned in 2014 covering the 2015-16 & 2016-17 programme. With continued pressures on the Council's budget over the next two years, and the need to focus on the most vulnerable in our community, it is important to review the programme and establish its future for the next two years.

CPF - Previous Programme

The total funding levels for the 2015-17 programmes were £ 278 967 in 2015-16, and £260 277 in 2016-17. There were five thematic areas - job creation/employment, advice services, safer communities, active involvement of residents, and digital inclusion - with broad outcomes set for each. 13 organisations were awarded funding to deliver various projects covering these thematic areas.

Background to proposed changes to the CPF Programme 2017-18 and beyond

Funding for the community and voluntary sector (particularly for large and medium sized organisations) is rapidly changing. With central/local government budget cuts over the last six years, many have had to seek alternative sources of funding, become more commercial and compete for outsourced service contracts by the statutory sector on a regular basis.

The alternative sources of funding for local community organisations have primarily been from Big Lottery programmes, Sussex Community Foundation, Clinical Commissioning Group (CCG) Health Inequalities Programme, East Sussex County Council and North East Hastings Big Local initiative and other charitable funds.

In December 2015, the CCG awarded more than £255,000 of NHS funding to the voluntary sector and community organisations in Hastings and Rother to improve health and wellbeing, access to local healthcare and other support services. The CCG launched a similar grant round in March 2016. Sussex Community Foundation is managing this with support from Hastings Voluntary Action.

Reasons for proposed changes to the CPF Programme

The Council is considering changes to the CPF programme for 2017-18 and 2018-19, because:

- The funding available for the 2017-19 programme is likely to be less than previous rounds.
- There is a need to focus CPF investment on the key priorities of the Council. The Council's budget has reduced significantly over the last five years and it is no longer able to support the wide number of activities and services provided by the voluntary and community sector in the town. The number of applications approved also dilutes the amount of funding available and reduces the overall impact of the programme.
- The Council believes setting broad priorities has raised expectations and encouraged a wide range of applications for the previous programme. HBC forwarded 73 Applications during the 2015-17 CPF Programme, received 36 completed applications for Stage 1 assessment, which was reduced to 19 final applications for further submissions. There were 13 applications finally approved.

With reduced budgets, the Council also needs to reduce the administration and associated costs of managing the grant application and monitoring process. It believes the current process creates unnecessary work for many community and voluntary organisations.

The proposed changes to the CPF Programme 2017-19 relate to the funding priorities and the process rather than the level of funding available. The Council is committed to minimising the impact of the budget cuts on the provision of local community services, but is unable to set even an indicative budget in advance of the significant budget review and the separate budget consultation process.

Proposed Changes to the CPF Programme

The suggested new approach to delivering the CPF Programme means commissioning work from the community and voluntary sector for specifically identified outcomes. We believe this approach would best ensure that the available funding is directed to achieving the Council's priorities which meet the needs of the most vulnerable communities.

The Council wishes to prioritise services to the most vulnerable in our community, recognising the need to maintain a basic level of support at a time of cuts. Although it has always encouraged new and innovative funding bids, it also recognises the importance of maintaining key existing services.

It is recommended therefore that the following priorities be funded:

- a. Housing, Legal, Welfare and Debt Advice
- b. Domestic Violence Support
- c. Advice and support to community organisations
- d. Rough Sleepers Outreach Support
- e. Advice and support to migrant and newly settled communities

Page 28 It is suggested that the outcomes will be commissioned by providing a broad specification for each of the areas and inviting applications using the current application form, although comments are welcomed on this.

The Council believes there are clear advantages to these new proposals:

- Focusing on selected outcomes rather than broad priorities enables the Council to assist the community and voluntary sector fill gaps in local services that are not met by other programmes or not available generally.
- With improved clarity on the priorities, fewer organisations will waste valuable resources completing detailed applications where their chances of receiving funding are generally low.
- The proposed approach enables the Council to maintain the CPF programme over two further years.

The Council recognises that these proposals will have an immediate impact on some traditionally funded organisations. However, with continued pressure on our budgets, we believe focusing investment on these key outcomes maintains a level of support for local residents provided by the community and voluntary sector for the next two years.

HBC 20th June 2016

Agenda Item 8



Agenda Item No:

Report to: Cabinet

Date of Meeting: 5 September 2016

Report Title: FINAL ACCOUNTS 2015/16 - DRAFT

Report By: Peter Grace
Assistant Director - Financial Services and Revenues

Purpose of Report

This report sets out the draft final accounts position for 2015/16. These are subject to completion of the external audit.

Recommendation(s)

- 1. Cabinet review the outturn position on the General Fund for 2015/16.**
- 2. Cabinet review the capital outturn position for 2015/16.**
- 3. The 2015-16 outturn position, along with the revised estimates for 2016/17 be taken into account when preparing the revised 2016/17 budget and the 2017/18 budget.**

Reasons for Recommendations

Compliance with statutory requirements and good practice. The Council is accountable for the use of public money and continuously seeks to improve Value for Money.

The outturn position informs the budget setting process. Where there are under or overspends the reasons behind these are investigated with a view to reallocating resources to meet priorities.

Introduction

1. This report provides members with the outturn results for the General Fund and Capital Programme for 2015/16.
2. Variances are shown in (brackets) if they are favorable and without if they are adverse.
3. The Accounts & Audit Regulations require the Chief Finance Officer (Section 151 officer) to certify the Statement of Accounts by the 30 June each year and publish them by 30 September. The Statement of Accounts was certified on the 30 June 2016 and is on track for publishing them on time.
4. The Council's external auditors (BDO) commenced auditing the full accounts in early July. The audited Statement of Accounts will be considered by the Audit Committee on 22 September – along with details of the auditor's findings and any material amendments made to the accounts.
5. There is an improvement in the General Fund revenue outturn position compared to the revised budget.

Final Accounts

General Fund Position - Revenue

6. A summary of the provisional outturn for the year is shown in Appendix A. The total service expenditure is £14,202,849. The carry forwards into 2016/17 amount to some £457,000.
7. The variations are shown in Appendix B. Those over or under budget by £20,000 or more are narrated. Please note that the depreciation and Capital charges, International Financial Reporting Standards, and notional aspect of Minimum Revenue Provision (MRP) adjustments are excluded from this analysis – as they do not affect Council Tax.
8. Further work is being undertaken through the Priority Income and Efficiency Review process to identify the future ongoing savings, above and beyond those already included in the 2016/17 budget.
9. The revised budget assumed a contribution to the General Reserve of £17,550. The sum actually transferred to the General Reserve amounted to £560,000 (excluding carry forwards) and £682,000 was transferred to the Invest to Save Reserve. The balance on the General Reserve at 31 March 2016 is £7,675,000. The General Fund working balance remains at £500,000.
10. Whilst there are numerous underspends one of the most significant is the reduced expenditure in respect of Housing Benefits of some £503,000 (1% variance), partly due to improved bad debt recovery rates, but also lower number of claimants. The reduction in claimant numbers is higher than anticipated (over 3% reduction) and it is hoped that the trend will continue.

Council Tax

11. The balance on the Collection Fund at 31 March 2016 was £2.8m. The in-year

collection rate, which was budgeted at 96.5%, was narrowly missed (96.22% achieved). The actual amount being collected from prior years increased again, and the council can expect the same in respect of 2015/16 – thus leading again to a surplus on the Collection Fund that can be distributed in 2017/18.

National Non Domestic Rates (NNDR)

12. The rateable value of business premises at 31 March 2016 was £57,853,178 compared to £57,649,272 at 31 March 2015. However there was a late rush of appeals following the Government's announcement that any received after 31 March 2015 could not be backdated before that date and as a 31 March 2016 many of those cases have not been settled. The rateable value of appeals outstanding is now £31m. The backlog from the 2010 list is unlikely to be cleared before the 2017 appeal list comes into effect on 1 April 2017.
13. The net collectable sum for the year was £21,767,000, and represents an increase of £400,000 compared with the original forecast (NNDR1) of £21,367,000. This would normally be good news but is offset by the number of rateable value appeals that remain outstanding.
14. The NNDR element of the Collection Fund has a deficit balance of £742,000 (HBC's share of the £1.855m overall deficit).
15. It is important to note that the deficit for 2015/16 takes into account estimates for the cost of appeals not yet decided, on the basis of the success rate of appeals actually determined by 31 March 2016. The final cost will only be evident when the appeals are decided during 2016/17 and probably afterwards. The real difference between estimated and actual losses on outstanding appeals will therefore fall on years after 2016/17. Currently the appeal provision stands at £3.2m of which £1.3m is Hasting's element.
16. The new regime for dealing with non-domestic rates, which started on 1 April 2014, is mitigated by safety net provisions, funded by levies payable by councils with higher rates of growth in business rates. In 2015/16, as in 2014/15, this council did not qualify to receive a safety net payment or to pay a levy.
17. In terms of pooling the council had originally budgeted to receive from pooling £79,500. The budget was reduced downwards to £1,741 in the revised budget, but the actual outturn was zero.

Reserves

18. Appendix E details the Reserves position at 31 March 2016. As detailed in the February 2016 budget report underspends from the 2015/16 year would be used to strengthen the invest to save budget. This provides the Council with the opportunity to make ongoing revenue savings and pursue income generation opportunities. It should be noted that £1.7m of the total balance is in respect of monies held in respect of the NHS Clinical Commission Group initiative and if it was not for this the balance on the reserves would show a decrease.
19. The Medium Term Financial Strategy identified the need for any underspend to be used as an opportunity to strengthen reserves, and given the estimated budget reductions required in 2016/17 and beyond there remains a strong case for doing so. The Medium Term Financial Strategy will be reviewed in the autumn and will include a further review of reserves in the light of future government funding and

expenditure pressures.

20. It should be noted that no provision has been made in respect of the claim for compensation as a result of the closure of the Pier on safety grounds. There has also been a significant claim in respect of rate relief for NHS hospital Trusts – which has not been accepted by the Council.
21. Under spends on reserve funded items e.g. government grant reserve, section 106, repairs and renewal monies will be re-profiled into 2016/17.
22. The Council has established the Hardship Fund in the sum of £80,000 as proposed in the 2016/17 budget by transferring part of the Land Charges Reserve. The remaining balance of the reserve going to the General Reserve.

Capital Programme and Resources

23. The 2015-16 capital expenditure is to be financed as per Appendix D.
24. Capital receipts, reserves and grants have been used to finance £4.434m of expenditure. The only new borrowing in 2015/16 was for £300,000 from the PWLB in respect of a 10 year loan to the Foreshore Trust which related to the White Rock Baths project.

Provisions for Credit Liabilities

25. From 1 April 2007 the Government introduced new regulations concerned with the treatment of MRP (Minimum Revenue Provision – a sum calculated to repay capital debt). This places a general duty on the Council to make prudent provision for the re-payment of capital debt. The option chosen by the Council has given rise to a charge to revenue in 2015-16 of £510,000.

Financial Strategy

26. Maintaining the Council's financial standing remains challenging in the current circumstances. To maintain the position, and given the major reductions in future funding, the Council needs to continue to take hard decisions, identifying further significant efficiencies and invest to save opportunities to balance the budget in the future.
27. The Council was successful in its bid for Efficiency Support Grant in 2014/15 and the government built this funding into the 2015/16 local government settlement, this additional funding is no longer available.
28. It is standard practice to analyse previous year variations when determining the forthcoming budget. It is recommended that the 2015-16 outturn position, along with the revised estimates for 2016-17, be taken into account when preparing the 2016-17 detailed revenue estimates.
29. A number of significant one off items have been identified and transferred to the Council's reserves – particularly grant monies such as those from Clinical Commission Group (£1,200,000 in total). The level of reserves, as well as the identification of future funding expectations, and potential spending pressures will be considered as part of the Medium Term Financial Strategy review in the early autumn.

Wards Affected

None

Area(s) Affected

None

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No

Background Information

Appendix A - Final Accounts Summary 2015-16
Appendix B - Major Variations
Appendix C - Capital Programme Expenditure 2015-16
Appendix D - Capital Programme Finance 2015-16
Appendix E - Statement of Reserves

Officer to Contact

Alan Mitchell (Chief Accountant)
amitchell@hastings.gov.uk
01424 451520

Peter Grace (Assistant Director - Financial Services and Revenues)
pgrace@hastings.gov.uk
01424 451503

Revenue Budget Summary**Appendix A**

	2015-16 Revised Budget £	2015-16 Actual Outturn £	Variance Revised Budget £
Corporate Resources	2,776,000	1,989,289	(786,711)
Operational Services	13,169,409	12,213,560	(955,849)
Direct Service Expenditure	15,945,409	14,202,849	(1,742,560)
Contingency Provision	89,800	0	(89,800)
Total Service Expenditure	16,035,209	14,202,849	(1,832,360)
Provision for repayment of debt (MRP)	511,419	510,209	(1,210)
Net interest	121,000	188,687	67,687
Contributions to capital from Grant *	737,000	737,000	0
Contributions to Earmarked Reserves	816,000	1,016,647	200,647
Use of earmarked reserves	(2,460,760)	(2,132,371)	328,389
Net Council expenditure	15,759,868	14,523,022	(1,236,846)
Trans to / (from) Transition Reserve	0	0	0
Contributions to / (from) Specific Reserves	(107,000)	604,616	711,616
Trans to / (from) General Reserve	17,550	500,261	482,711
Amount from grant and collection fund	15,670,418	15,627,899	(42,519)
Funded By			
Revenue Support Grant	(3,727,234)	(3,727,234)	0
New Homes bonus	(1,005,857)	(1,005,857)	0
New Homes bonus return funding	(11,224)	(11,224)	0
NNDR (Surplus) / Deficit	816,409	816,409	0
Collection Fund Surplus	(250,026)	(250,026)	0
Disabled Facilities Grant *	(767,000)	(737,000)	30,000
Housing Benefit Administration grant	(800,124)	(800,124)	0
Efficiency support grant	(102,472)	(102,000)	472
Business rates	(3,219,327)	(3,188,140)	31,187
Business rates - Pooling	(1,741)	0	1,741
Business rates - Section 31 Grant	(766,336)	(787,217)	(20,881)
Council tax	(5,835,486)	(5,835,486)	0
Total funding	(15,670,418)	(15,627,899)	42,519

* For comparative purposes the table includes the Disabled Facility Grant. This is now treated as a capital grant and will in the future be excluded from the Revenue Budget.

CORPORATE RESOURCES MAJOR VARIANCES 2015/16

General Fund Activities	Cost Centre	Major Variances narrative (<> £20,000)	Total Full year Variance excl. Recharges £'s
Employment Areas	2101		(8,957)
Unit Factories	2201	Additional rental income from factory units	(38,543)
Properties & Estates	2404		(13,785)
St.Mary-in-the-Castle	2602		16,127
Housing Benefit Payments	4200	Reduced expenditure on Housing Benefits	(503,487)
Housing Benefit Administration	4250	Administration lower than budgeted	(30,662)
Rechargeable Works Orders Admin	5225		(807)
Fin.Serv.-Other Expend.& Income	5299	Severance payments less than provided for in the revenue budget	(136,139)
Corporate Management Costs	5510		19,551
Corp. Man. Non-distributed Costs	5511		62
Council Tax Benefit-Pymts/Admn	5900		(9,798)
Tax Collection Costs	5950	The allowance for cost of collection was less than budget, calculated centrally	75,648
Registration Of Electors	1200		(5,303)
Individual Electoral Registration Project	1205		(13,517)
ECOFAB 2	1997		1,500
Sustainable Development	3405		(5,480)
Hastings Pier - Closure	5004		(2,667)
Local Strategic Partnership	5224		(6,721)
Cost Of Democratic Processes	5501	Corporate recharges less than budgeted	(82,383)
Borough Council Election Expenses	5503		865
European Election Expenses	5504		(4,203)
General Election Expenses	5505		4,051
County Council Election Expenses	5506		(6,836)
Externally Funded Referendums	5508		0
Police and Crime Commissioner Election	5509		0
Public Consultation	5513		(3,921)
Shelters and Seats (Highway)	1501		(1,869)
Naming and Numbering Streets	1502		(1,627)
Decorative Lighting	5236	Total repairs where less than anticipated and saving made on electricity costs	(27,809)
Directorate Total			(786,711)

OPERATIONAL SERVICES MAJOR VARIANCES 2015/16

General Fund Activities	Cost Centre	Major Variances narrative (<= £20,000)	Total Full year Variance excl. Recharges £'s
Director of Operational Services	1015		(2,802)
Director of Operational Services			(2,802)
Environment Management & admin	1009		(8,683)
Food Safety	3401		(1,087)
Health & Safety Enforcement	3402		(1,673)
Environmental protection	3403		(1,987)
Health & Safety Corporate	3404		(144)
Pest Control	3407		660
Local Licensing	5100	The budgeted survey will not be conducted this year £20,000 and £5,000 additional income is anticipated. Small saving on salaries relating to NI discounts has also been realised	(28,075)
Scrap Metal Licensing	5102		380
Liquor Licensing	5105		6,875
Gambling Licensing	5106		(1,539)
Stray Dog Service	5125		(185)
Neighbourhood Safety	5214		(3,784)
Safer Hastings Partnership	5219		(18,273)
Emergency Planning	5223		(1,009)
Environmental Health Total			(61,463)
Waste and Parking Team	1074		14,638
Off Street Car Parking	1300	Final income position lower than budgeted mainly due to an accountancy adjusted relating to season tickets £54,000 on income and Foreshore Trust Recharge £49,000 higher than budgeted	102,144
Horntye Car Park	1350		1,200
CCTV Control Room	1370		(1,846)
Public Realm	1504	Carry forward balance for Havelock Crossing	(34,969)
Public Conveniences	3033	Significant savings were made as £20,000 saved on repairs and Cleaning £14,000 whilst Utilities and the Foreshore Trust Recharge were lower than budget by £14,000 and £3,000 respectively	(50,307)
Abandoned Vehicles	3301		(203)
Refuse Collection	3303		(1,406)
Street Cleansing	3313		(9,548)
Recycling	3410	The underspend is mainly due to a stock adjustment of £41,000, a saving on the contract of £47,000 and salaries £2,000	(89,658)
Greenwaste	3411		(16,393)
Waste and Environmental Enforcement Team	3412		(1,351)
Together Action	5205		(7,682)
Waste and Parking Services Total			(95,382)

OPERATIONAL SERVICES MAJOR VARIANCES 2015/16

General Fund Activities	Cost Centre	Major Variances narrative (<> £20,000)	Total Full year Variance excl. Recharges £'s
Open Space Management	1071		62,434
Hastings Country Park - Parking	1355		(1,590)
Watercourses	1420		(2,764)
ESCC Highway Tree Maintenance	1506		(4,651)
Cemetery & Crematorium	3102	Cost of re-bricking cremator delayed until 2016/17 £60,000	(63,218)
Welfare Funerals	3103		401
Travellers Costs	5140		(11)
Town Centre	5257		(4,229)
Allotments	5280		3,226
Arboriculture	6200		(652)
St Leonards Gardens - Lottery Grant	6300		19
Parks & Gardens	6301		13,018
Hastings Country Park	6503	Servicing and repairs of vehicles, also includes £25,000 unspent for Access for all path resurfacing	(31,493)
Pebsham Country park	6504		(555)
Countryside Stewardship	6508		(2,051)
Amenities Services Total			(74,277)
Local Land Property Gazetteer & Admin	1005		(4,438)
Building Control	1008		7,118
Housing Management & admin	1072		(6,368)
Development Management	1600	Income was in line with revised budget but year end accountancy adjustments required resulted in income targets not be realised	113,130
Conservation	1607		(37)
Coastal Local Economic Partnership (LEP)	1953		3,244
Homelessness	4000	Procedures and greater resources put in place to reduce B&B cost & recover contributions. Higher proportion of B&B placements for single households in 15/16, these produce higher HB contributions than families.	(22,630)
Homelessness Prevention	4001		1,109
Social Lettings	4025	Year 1 of 5 year project. Lettings paid to landlords and Housing Benefit received made £16,000 NET against the original budget estimate. Other costs were budgeted but not required in year such £10,000 systems and £7,000 legal and premises costs.	(31,415)
Homelessness Strategy	4050	Staff vacancy for a large proportion of the financial year with the majority of the work being absorbed into admin team function of the service.	(55,217)
Deposits funded by ESCC and Discretionary Housing payments	4051	Fewer bonds have been issued in 2015/16 than previously budgeted for due to the introduction of a new SLA.	(33,995)

OPERATIONAL SERVICES MAJOR VARIANCES 2015/16

General Fund Activities	Cost Centre	Major Variances narrative (<> £20,000)	Total Full year Variance excl. Recharges £'s
Youth Homelessness	4055		9,073
Anti Poverty	4057		(2,538)
POAL Officer	4060		25
Housing Register	4120		(2,787)
Housing Solution Services	4130		661
Housing - Works in Default	4135		47,266
Land Auction Pilots	4137	£15,000 received from Estates for HCA transfer and £15,000 underspent on schemes in total.	(30,276)
Housing Renewal	4140	Reduced costs for salaries compared to 2015/16 revised budget due to not backfilling manager post and covering work internally within the team instead.	(53,883)
Ore Valley	4170		617
Rogue landlords	4143	Additional funding received in January 2016 after the revised budget setting process had been completed.	(106,757)
Selective Licensing	4158	Saving due to vacancy not being filled during recruitment and decision made to hold post back until service is established.	(37,458)
Housing Licensing Team	4160		(995)
Coastal Space Enforcement Activities	4300		8,069
Dangerous Structures	5001		106
Local Land Charges Register	5211	Achieved higher than anticipated income for Local Land Charges.	(76,104)
Head of Housing and Built Environment Total			(427,440)
Marketing & Comms.Division	1025		9,073
Image Raising Campaign Project	1995		(3,433)
Meteorological Expenses	5237		(1,232)
Civic & Ceremonial Expenses	5507		(10,209)
1066 Country Campaign	5701		(3,055)
Tourism Marketing	5702		(3,331)
Community Awareness	5705		6,244
Tourist Information Centre	5714		11,397
R.T.P. - Hastings Week	5722		2,434
R.T.P. - Jack-in-the-Green	5723		168
R.T.P. - Old Town Carnival	5724		(744)
Chess Congress	5725		2,568
R.T.P. - Trolley Bus	5727		(4,170)
R.T.P. - Town Crier	5728		162
Norman Castles Interreg Project	5731		(484)
Filming	5740		5,099
Fish Festivals - Seafood & Wine/ Herring Fair/ Midsummer Fish Festival			(11,701)
Head of Marketing and Major Projects Total			(1,215)

OPERATIONAL SERVICES MAJOR VARIANCES 2015/16

General Fund Activities	Cost Centre	Major Variances narrative (<> £20,000)	Total Full year Variance excl. Recharges £'s
Regeneration Management & Admin	1021		712
Planning Policy	1603	Carry forward request submitted to balance proposed spend for 16/17, balance due to reduced spend on consultant fees.	(37,985)
Regeneration Activity	1900	£28,000 underspend in staffing due to vacancies throughout year. £15,000 carry forward for grants and £11,000 for Regeneration projects not spent within year.	(53,118)
White Rock Area Development	1904	This is due to timing on delivery of the project and will no happen in 16/17	(50,000)
Regeneration Team - General Expenses	1910		16
Cultural Activities	1922		(11,272)
External Funding Initiatives	1934		(4,974)
Town Teams	1938		1
Cultural Development (Getting Hastings Ready)	1945	The budget spend has been reprofiled into 16/17. The full budget will be spent by the end of the programme	(83,989)
Community Cohesion	1980		(401)
Classroom on the Coast	1984		(334)
Fisheries Local Action Group (FLAG)	1988		(15,861)
Employability	1999		(132)
Talent Match	2020		(994)
Hastings Pier Charity - Additional Grant	5003	Grant payment to Pier, matched by ESCC	40,000
Community Partnership Fund	5120	Grants made higher than budgeted but 16/17 profile will reflect this timing difference	32,667
Youth Windfall	5121		(5,535)
Youth Activities	6006		(2,001)
Externally Funded:			
RGF4 - SUCCESS Programme	1928		(70)
SAFE-ICE	1939		(4,090)
ACE (Answers to the Carbon Economy)	1931		(392)
Coastal Communities Fund	1998		(5,849)
Sea Escapes - CCF III Coastal Communities Fund Revenue	2030		51
Regeneration Total			(203,550)

OPERATIONAL SERVICES MAJOR VARIANCES 2015/16

General Fund Activities	Cost Centre	Major Variances narrative (<> £20,000)	Total Full year Variance excl. Recharges £'s
Leisure & Cultural Dev. Div.	1070		379
Falaise Hall	2640		(2,604)
Sports Centres	6100		608
Opening Doors	6640		(4,822)
Lets Get Moving (CCG)	6641	Carry Forward for the balance outstanding for CCG money. Project slipped due to funding discussions with partners	(27,760)
Sports Development	6650		1,560
Street Games	6651		8,425
Active Hastings	6657		639
Play Development	6660		2,028
Play Pathfinder	6667		156
Boyne Road Playground	6670		(200)
Sports for All	6675		(1,697)
Leisure Services Total			(23,287)
Resort Services Management and Admin	1075		(1,120)
Coast Protection Sea Defences	1400		(12,689)
Navigational Aids	1410		(1,243)
Environmental Schemes (Net Huts)	1608		(1,306)
Cliff Railways	2502		(8,504)
Hastings Castle	2510		7,617
St Clements Caves	2512		2,293
Chalets & Private Hut Sites	2514		5,087
White Rock Theatre	2601	Full repairs budget not required	(21,589)
Seafront	5241	£10,000 anticipated underspend requested as further contribution to capital works. £5,000 additional rental income plus some additional commemorative seats income.	(34,161)
Museums & Art Galleries	6000		(29,109)
Fisherman's Museum	6005		269
Education - Museum	6008		1,595
Exhibitions - Museum	6009		(1,369)
Resilience Fund - Museum (Arts Council)	6016		(615)
Sports Management	6150	No fairground income this year	21,266
Resort Services Total			(78,991)
British BID DCLG - Loan Fund (Business improvement District)	1937		11,386
Central St Leonards Renewal Area	4146		1,173
Directorate Total			(955,849)

CAPITAL PROGRAMME EXPENDITURE 2015-16

Service	Gross Budget £000's	Actual £000's	Net Variation £000's
Corporate Resources	3,635	2,942	(689)
Operational Services	1,599	1,488	(111)
Total	5,234	4,434	(800)

Capital Programme Financing 2015-16

	Outturn 2015-16 £000's
Expenditure :	<u>4,434</u>
Financed by :	
Borrowing	0
Grants - Disabled Facilities grant	737
Lottery Grants	
Coastal Communities	75
Coastal Revival Fund	50
Interreg	2
Regional Housing Board	11
Hastings and St Leonards Foreshore charitable Trust	627
East Sussex County Council	300
Environment Agency	78
Renovation Grant Repayments	145
Historic England	97
S106 Contributions	41
Other Grants and Contributions	<u>25</u>
	2,188
Reserves	757
Capital Receipts	1,489
	<u>4,434</u>

STATEMENT OF RESERVES**APPENDIX E**

	Opening	Transfer In	Transfers Out	Closing Balance
	£000's	£000's	£000's	£000's
General Reserve	(7,115)	(632)	72	(7,675)
Capital Reserve	(1,468)	0	743	(725)
Earmarked Reserves				
Renewal and Repairs Reserve	(1,757)	(508)	411	(1,854)
Risk Management Reserve	(360)	0	20	(340)
Information Technology Reserve	(281)	(179)	242	(218)
On-Street Car Parking Surplus Reserve	(84)	0	20	(64)
s106 reserve	(622)	0	77	(545)
VAT reserve	(269)	0	12	(257)
Government Grant Reserve	(742)	(70)	208	(604)
Monuments in perpetuity	(52)	0	1	(51)
Ore Valley Reserve	(302)	0	52	(250)
Mortgage reserve (LAMS)	(93)	(32)	0	(125)
Invest to Save and Efficiency Reserve	(748)	(682)	477	(953)
Resilience and Stability Reserve	(600)	0	0	(600)
Transition Reserve	(2,222)	0	0	(2,222)
Redundancy Reserve	(648)	0	0	(648)
Community Safety Reserve	(350)	0	0	(350)
Economic Development Reserve	(504)	0	0	(504)
Land Charges Claim	(140)	0	140	0
Safer Hastings Partnership	(48)	0	7	(41)
Parks and Gardens Special Maint Project	(10)	0	10	0
Bathing Water Project	(59)	(100)	127	(32)
First World War Project	(10)	0	4	(6)
Coastal Communities Grant Reserve	(10)	0	0	(10)
Carry forward Reserve	(535)	(457)	535	(457)
NHS Hastings and Rother CCG S256 Re	(612)	(1,200)	107	(1,705)
Young Peoples Council - Earmarked Res	(20)	0	10	(10)
Revenue Hardship Fund	0	(80)	0	(80)
	(19,661)	(3,940)	3,275	(20,326)

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Agenda Item 9



Report to: Cabinet

Date of Meeting: 5 September 2016

Report Title: Annual Treasury Management Report 2015-16

Report By: Peter Grace
Assistant Director Financial Services and Revenues

Purpose of Report

This report provides the opportunity for the Cabinet to scrutinise the Treasury Management activities and performance of the last financial year. This report will be considered by the Audit Committee at its meeting on 22 September 2016.

Recommendation(s)

- 1. To consider the report – no recommendations are being made to amend the current Treasury Management Strategy as a result of this particular review.**
- 2. Full Council to consider the report and any recommendations made by Cabinet.**

Reasons for Recommendations

To ensure that members are fully aware of the activities undertaken in the last financial year, that Codes of Practice have been complied with and that the Council's strategy has been effective in 2015-16.

Under the Code adopted the full Council is required to consider the report and any recommendations made.

Introduction

1. The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2009 was adopted by this Council on 15th February 2010 and this Council fully complies with its requirements.
2. The primary requirements of the Code are as follows:
 - a) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - b) Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - c) Receipt by the Full Council of an annual treasury management strategy report (including the annual investment strategy report for the year ahead, a mid-year review report (as a minimum) and an annual review report of the previous year.
 - d) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - e) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body which in this Council is the Audit Committee.
3. Treasury management in this context is defined as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
4. The purpose of this report is to meet one of the above requirements of the CIPFA Code, namely the annual review report of treasury management activities, for the financial year 2015-16.
5. This annual Treasury report covers
 - a) capital expenditure and financing 2015-16
 - b) overall borrowing need (the Capital Financing Requirement)
 - c) treasury position as at 31 March 2016;
 - d) performance for 2015-16;
 - e) the strategy for 2015-16;
 - f) the economy and interest rates in 2015-16;
 - g) borrowing rates in 2015-16;
 - h) the borrowing outturn for 2015-16;
 - i) debt rescheduling;
 - j) compliance with treasury limits and Prudential Indicators;
 - k) investment rates in 2015-16;

l) investment outturn for 2015-16;

The Council's Capital Expenditure and Financing 2015/16

6. The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

Capital Programme Financing 2015-16		Outturn 2015-16 £000's
Expenditure :		4,434
Financed by :		
Borrowing		0
Grants - Disabled Facilities grant	737	
Lottery Grants		
Costal Communities	75	
Coastal Revival Fund	50	
Interreg	2	
Regional Housing Board	11	
Hastings and St Leonards Foreshore charitable Trust	627	
East Sussex County Council	300	
Environment Agency	78	
Renovation Grant Repayments	145	
Historic England	97	
S106 Contributions	41	
Other Grants and Contributions	25	2,188
Reserves	757	
Capital Receipts	1,489	4,434

* table above excludes £300,000 loan made to the Foreshore Trust in respect of white rock baths expenditure

The Council's Overall Borrowing Need

7. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend.
8. Part of the Council's treasury activities is to address the funding requirements for the Council's borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.
9. The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
10. The total CFR can also be reduced by:
 - the application of additional capital financing resources (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
11. The Council's 2015/16 MRP Policy was approved as part of the Treasury Management Strategy Report for 2015/16 by Council in February 2015.
12. The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against this scheme.

Table 2 CFR: General Fund	2014/15 Actual £000's	2015/16 Estimate £000's	2015/16 Actual £000's
Opening balance	16,372	18,572	18,572
Add unfinanced capital expenditure	2,697	660	300
Less MRP	(488)	(511)	(511)
Less finance lease arrangements	(9)	(9)	(9)
Closing balance	18,572	18,712	18,352

13. Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.
14. The Council's long term borrowing must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2015/16 plus the expected changes to the CFR over 2015/16 and 2016/17 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2015/16. The table below highlights the Council's gross borrowing position against the CFR, which provides an indication of affordability for the Council. The Council has complied with this prudential indicator.

Table 3 Internal Borrowing Level	2014/15 Actual	2015/16 Estimate	2015/16 Actual
	£000's	£000's	£000's
Capital Financing Requirement	18,572	18,712	18,352
External Borrowing	14,197	14,197	14,497
Net Internal Borrowing	4,375	4,515	3,855

Treasury Position as at 31 March 2015

15. The Council's debt and investment position at the beginning and the end of the year was as follows:

Table 4 Debt	31st March 2015 Principal	Annual Rate	Maturity	31st March 2016 Principal	Annual Rate
PWLB Loan 1	£7.5m	4.80%	2033	£7.5m	4.80%
PWLB Loan 2	£1.0m	2.02%	2016	£1.0m	2.02%
PWLB Loan 3	£1.0m	1.63%	2018	£1.0m	1.63%
PWLB Loan 4	£0.9m	3.78%	2044	£0.9m	3.78%
PWLB Loan 5	£1.8m	3.78%	2044	£1.8m	3.78%
				£0.3m	1.66%
Fixed Rate Debt	£9.5m			12.5m	
PWLB Loan 6	£2.0m	0.55% (Variable Rate)	2019	£2.0m	0.56% (Variable Rate)
Total Debt	£11.5m	3.55%		£14.5m	3.55%

Table 5	31st March 2015 Principal	31st March 2016 Principal
Investments		
-In-House *	£21.9m	£22.5m
Total Investments*	£21.9m	£22.5m

* excludes deposits held in respect of the Local Authority Mortgage Scheme

Performance Measurement (2015-16)

16. Table 6 below compares the Estimated Interest Payable and Received and associated fees for the year 2015-16.

Table 6	2014 -15 Actual Outturn £000's	2015 -16 Revised Budget £000's	2015 -16 Actual Outturn £000's
Gross Interest Payable	472	514	574
Gross Interest Received	(229)	(286)	(386)
Fees	13	13	13
Other (e.g. PWLB Discount)	(53)	(51)	(51)
Net Cost	203	190	150

17. There is a variance from the revised budget due to variations between budgeted and actual rates achieved and a £13,000 exchange rate gain.

18. The net interest on the LAM scheme (as below) is being transferred into the mortgage reserve.

Table 7	2014 -15 Actual Outturn £000's	2015 -16 Revised Budget £000's	2015 -16 Actual Outturn £000's
Gross Interest Payable	36	36	36
Gross Interest Received	(64)	(64)	(68)
Net Surplus	(28)	(28)	(32)

19. The Council's longer term cash balances comprise, primarily, revenue and capital resources, although these will be influenced by cash flow considerations. The Council's core cash resources are detailed below, and were in line with budget expectations.

Table 8 Balance Sheet	31 March 2015	31 March 2016
	£000's	£000's
General Fund Balance	500	500
Earmarked Reserves	11,078	11,926
General Reserves	8,583	8,400
Total	£19,661	£20,326

The Strategy for 2015-16

20. The expectation for interest rates within the strategy for 2015/16 anticipated low but rising Bank Rate (starting in quarter one of 2015), and gradual rises in medium and longer term fixed borrowing rates during 2015/16. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach, whereby investments decisions are dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
21. In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and reduce counterparty risk except where contractual arrangements with Amicus Horizon were involved.

The Economy and Interest Rates

22. In UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country. However, the 2015 growth rate finally came in at a disappointing 1.8%, though it still remained one of the leading rates among the G7 countries. Growth was +0.4% in quarter 1 and +0.6% in quarter 2, (first estimate), but forward looking indicators point to a sharp slowdown in the second half of 2016 as a result of the Brexit vote. During most of 2015, the economy had

faced headwinds for exporters from the appreciation during the year of sterling against the Euro, and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme and uncertainty created by the Brexit referendum. However, since the peak in November 2015, sterling has fallen in value, especially after the referendum result, which will help to make British goods and services much more competitive and will increase the value of overseas earnings by multinational companies based in the UK. In addition, the Chancellor has announced that the target of achieving a budget surplus in 2020 will have to be eased in order to help the economy recover from the expected slowing of growth during the second half of 2016. He has also said he will do 'whatever is needed' to stimulate growth which could mean fiscal policy action e.g. cutting taxes, increasing investment allowances for businesses etc and / or increasing government expenditure on infrastructure, housing etc.

23. In the Eurozone, the ECB commenced in March 2015 its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month; this was intended to run initially to September 2016. In response to a continuation of weak growth, at the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. At its December and March meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and an initial start to some improvement in economic growth. GDP growth rose by 0.6% in quarter 1 2016 (1.7% y/y) but disappointed in quarter 2 with a reversal to only 0.3% (1.6% y/y). The ECB is also struggling to get inflation up from near zero towards its target of 2%.

Borrowing Rates in 2015-16

24. PWLB borrowing rates - the graphs and table for PWLB maturity rates below show, for a selection of maturity periods, the high and low points in rates, the average rates, spreads and individual rates at the start and the end of the financial year.

Table 9: PWLB maturity certainty rates

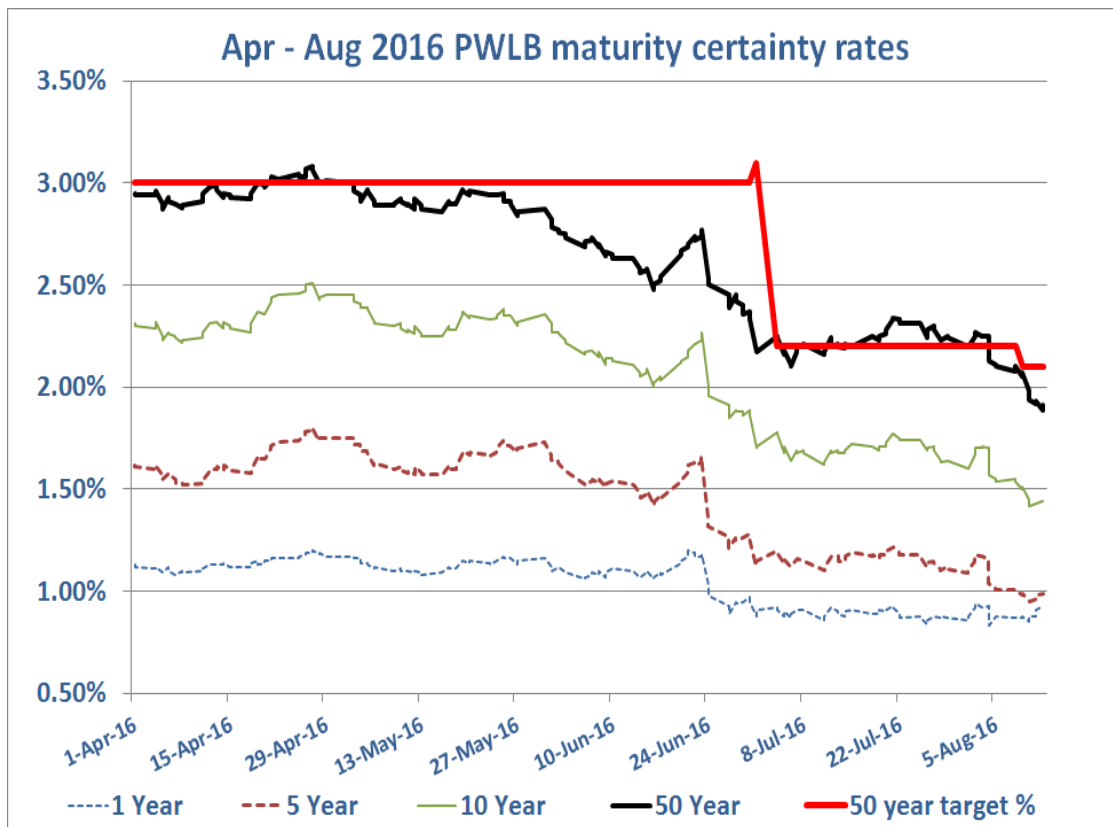


Table 10: PWLB certainty rates quarter ended 31.3.2016

	1 Year	5 Year	10 Year	25 Year	50 Year
1/4/16	1.13%	1.62%	2.31%	3.14%	2.95%
15/8/16	0.92%	0.98%	1.19%	1.34%	1.57%
Low	0.83%	0.95%	1.42%	2.08%	1.89%
Date	04/08/2016	10/08/2016	10/08/2016	12/08/2016	12/08/2016
High	1.20%	1.80%	2.51%	3.28%	3.08%
Date	27/04/2016	27/04/2016	27/04/2016	27/04/2016	27/04/2016
Average	1.04%	1.43%	2.05%	2.84%	2.61%

25. The table above highlights the fluctuation in borrowing rates throughout the year for different borrowing periods (in years). Members would be able to scrutinise the timing of any borrowing decisions with this information.

Borrowing Outturn for 2015/16

26. The additional long term borrowing £0.3m was undertaken in 2015/16 was in respect of the Foreshore Trust and the White Rock Baths.

Debt Rescheduling

27. The Council examined the potential for making premature debt repayments in order to reduce borrowing costs as well as reducing counterparty risk by reducing investment balances. No rescheduling was undertaken during the year as the

differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

Compliance with Treasury Limits

28. During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's annual Treasury Strategy Statement. The outturn for the Prudential Indicators is shown in Appendix 1.

Investment Rates in 2015-16

29. Investment rates available in the market have continued at historically low levels and have fallen further during the last year. The funds invested during the year were often available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds approximately £22m core cash balances for investment purposes.

30. The table below shows the bank base rate and the PWLB rates forecasts.

Table 11 PWLB certainty rates

	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19
Bank Rate View	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%
10yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%
25yr PWLB Rate	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%	4.10%
50yr PWLB Rate	3.20%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%	4.00%

Investment Strategy

31. The strategy has not changed during the year, other than Investment returns being lower and for a longer period than previously anticipated, although a further base rate fall looks more likely in late 2016 or early 2017.

Investment Outturn for 2015-16

32. Investments held by the Council - the Council maintained an average balance in the year of £23m. The average rate of return for the year was 0.66% (0.85% including LAMS scheme deposits). The comparable performance indicator is the average 7-day LIBID rate (un-compounded), which was 0.35%.

33. The table below provides a snapshot of the investments held at 31 March 2016.

Table 12: Counter Party	Rate / Return	Start Date	End Date	Principal	Term
Barclays	0.65%			£1.5m	Call account
Heleba Landesbank	0.74%	15/01/2016	15/07/2016	£3.0m	Fixed Term Deposit
National Australia Bank	0.60%	01/10/2015	01/04/2016	£3.0m	Fixed Term Deposit
Nordea Bank	0.60%	01/10/2014	01/04/2015	£5m	Certificate of Deposit
RBS - NatWest	0.60%	21/08/2013		£5m	Call account
Lloyds	1.00%	10/04/2015	08/04/16	£5m	Fixed Term Deposit
				£22.5m	

The above table excludes two £1million deposits that are held with Lloyds bank as part of the Local Authority Mortgage scheme; the deposits are held for periods of 5 years.

34. No institutions in which investments were made during 2015/16 had any difficulty in repaying investments and interest in full during the year.

Financial Implications

35. The security of the Council's monies remains the top priority within the strategy. The past year has seen the continuing historically low level of interest rates available to investors. There has been some new borrowing, of which £300,000 represents a loan made to the Foreshore Trust.
36. The net position once borrowing costs and investment interest are considered is a net decrease in costs from £203,000 in 2014/15 to £150,000 in 2015/16. This is partly the result of the reprofiling of the lending to and grant payment to Amicus Horizon and Foreshore Trust but also recognition of investment income from the return of a longer term investment which matured in year

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Area(s) Affected

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No

Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No

Background Information

Treasury Management and Annual Investment Strategy 2015/16
CIPFA - Treasury Management Code of Practice (revised 2009)
CIPFA - The Prudential Code (revised 2009)

Officer to Contact

Peter Grace, Assistant Director - Financial Services and Revenues
pgrace@hastings.gov.uk
Tel. 01424 451503

Appendix 1: Prudential Indicators

PRUDENTIAL INDICATOR	2014/15	2015/16	2016/17	2017/18	2018/15
(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt -					
borrowing	£20,000	£20,000	£20,000	£20,000	£20,000
other long term liabilities	£10,000	£10,000	£10,000	£10,000	£10,000
TOTAL	£30,000	£30,000	£30,000	£30,000	£30,000
Operational Boundary for external debt -					
borrowing	£20,000	£20,000	£20,000	£20,000	£20,000
other long term liabilities	£10,000	£10,000	£10,000	£10,000	£10,000
TOTAL	£30,000	£30,000	£30,000	£30,000	£30,000
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing / investments OR:-	100 %	100 %	100 %	100 %	100 %
Upper limit for variable rate exposure					
Net principal re variable rate borrowing / investments OR:-	100 %	100 %	100 %	100 %	100 %
Upper limit for total principal sums invested for over 364 days – LAMS Scheme and Coastal Space	£5,620	£6,000	£6,000	£6,000	£6,000
Maturity structure of fixed rate borrowing during 2013/14				upper limit	lower limit
under 12 months				100%	0%
12 months and within 24 months				100%	0%
24 months and within 5 years				100%	0%
5 years and within 10 years				100%	0%
10 years and above				100%	0%

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Agenda Item 10



Report to: Cabinet

Date of Meeting: 5 September 2016

Report Title: Anti-Poverty Strategy Refresh

Report By: Andrew Palmer
Assistant Director, Housing & Built Environment

Purpose of Report

To advise Cabinet of the Anti-Poverty Strategy refresh and to recommend that it is considered ahead of adoption by LSP. It is the intention that the revised strategy includes a commitment to produce an annual statement detailing key achievements and challenges faced in the preceding year.

Recommendation(s)

1. To recommend to Cabinet the refresh of the Anti-Poverty Strategy ahead of its adoption by the LSP.
2. That an Annual Statement is produced beginning in April 2017, detailing key actions and challenges faced in the preceding year.

Reasons for Recommendations

The existing strategy was adopted prior to the implementation of the welfare reform agenda and government spending reduction plans. The strategy is therefore in need of revision to take account of the new economic framework.

Introduction

Please see attached Appendix “Anti-Poverty Strategy Refresh” for full report.

Wards Affected

All

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	Yes
Crime and Fear of Crime (Section 17)	Yes
Risk Management	Yes
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	Yes
Organisational Consequences	No
Local People’s Views	No
Anti-Poverty	Yes

Additional Information

None

Officer to Contact

Andrew Palmer
apalmer@hastings.gov.uk
01424 451316

Hastings & St Leonards

Anti-Poverty Strategy Refresh 2016-2020

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Foreword

Poverty continues to affect the lives of many people in Hastings and St Leonards. It limits the opportunities and prospects for children and young people, damages the quality of life of individuals and families and ultimately harms the long-term health and life expectancy for many Hastings residents.

Poverty isn't just an economic issue – it has a direct impact on health, well-being and on quality of life. It doesn't just affect the here and now – it has effects, which outlast single generations and families, reaching into the future to affect the lives of those not yet born. Children growing up in poverty in Hastings and St Leonards are more likely to suffer poor health, do less well in school and become the next generation of adults at risk of unemployment and long-term poverty.

People living on low incomes, in many of our communities, find it hard to access advice, facilities and afford opportunities and services that others take for granted. Poverty is part of life for many of those both in and out of work in Hastings. Low pay, limited job security and the necessity to take multiple part-time jobs is a feature of many people's lives.

The current economic climate is making this situation more acute. People in our town face significant challenges with changes to welfare benefit and housing policy. The depth of poverty experienced by many means they are not likely to benefit quickly from any economic recovery.

Working with our partners¹ we have an obligation to protect the interests of those in greatest need and to champion the cause of those who are most at risk of a lifetime of poverty. People who experience poverty are all too often those who have the least choice, say or direct influence on decisions affecting their lives.

Councillor Kim Forward
Lead Member

¹ See appendix 1 for definition of Partners

Executive Summary

This Strategy confirms the Council's commitment to working with our partners to tackle poverty and its implications for low educational attainment, poor health and sub-standard housing in the town. At the core of the Strategy is the overriding objective to increase life opportunities – thereby raising aspirations and enabling people to exert influence and control over their lives.

The inter-generational nature of poverty in Hastings and the disproportionate levels of deprivation as compared with other areas in the South East and East Sussex are widely reported. This Strategy recognises these factors and sets out a way forward that provides the foundation from which the Council and its partners can work together to continue to make inroads into the far-reaching consequences of poverty.

Tackling the causes of poverty requires a commitment from all partners and is particularly challenging in the current economic climate, given the impact of the Government's welfare reform agenda on some sections of the community, reductions to public sector spending and new housing legislation that favours those in employment rather than those dependent upon welfare benefits. Reducing benefit dependency and increasing employment opportunities will be key therefore to the long term success of the Strategy.

Joint working between all partners across the town and clear, effective partnership working are paramount to overcoming these issues and making a real difference to the lives of local people who are being directly impacted by living in poverty.

The Strategy's priorities are:

Education and Employment

Improve education and employment opportunities for the most disadvantaged groups

Health and Well-being

Reduce health inequalities and promote well-being

Housing

Seek adequate provision and access to affordable, good-quality homes

To ensure the strategy achieves its aim of guiding and supporting partners' work in addressing poverty, progress will be monitored by the Hastings and St Leonards Strategic Partnership (LSP). An Annual Statement will also be produced, which outlines the actions partners have taken over the preceding year and sets out key areas of work moving forward.

Introduction

Tackling poverty in Hastings & St Leonards has underpinned delivery of the Town's Sustainable Community Strategy through a strong commitment to working in partnership. The Hastings & St Leonards Local Strategic Partnership (LSP) has worked together for nearly 15 years to deliver its aim of addressing inequality and 'narrowing the gap', i.e. to bring the quality of life for people in the most deprived areas up to those of the rest of the town, and the town up to East Sussex and national averages.

Through effective partnership working and investment this activity has achieved good progress against key objectives but much more remains to be done to tackle poverty in the town. However, the current economic climate coupled with extensive welfare and housing reforms is really challenging for partners at a time when public services across the town are facing significant funding cuts. There are no quick fixes – tackling poverty requires a long term horizon. Despite the challenges, there are real opportunities for local people arising from improved educational performance and the potential for new training and employment opportunities linked to the Seachange² development programme; particularly the opening of the new Bexhill to Hastings link road and the North Bexhill development. Maintaining and developing effective partnerships is key to maximising the impact that these opportunities can have on tackling poverty in the long term

Hastings – Poverty at a glance

35% of households are living in poverty

16.7% of people claim out of work benefits

10.8% of households are in fuel poverty

This strategy builds on the direction established in the previous Anti-Poverty Strategy³. It sets out our approach for tackling poverty across the town against a backdrop of a growing demand for services and reducing public sector budgets. The partnership remains ambitious but acknowledges there are limits on the impact local action can have on some aspects beyond their control, for example, those largely driven by the success or otherwise of the national economy and central government policy. By working together partners aim to intervene in the cycle of poverty to help mitigate the effects of poverty and to help the poorest people in our communities to have more influence and control over their futures. Progress against objectives adopted in the Anti-Poverty Strategy 2011-14 is summarised at Appendix 3.

With this in mind, the strategy provides the local context, identifying the key issues contributing to poverty in the town, and sets out priorities for action agreed with partners, that are designed to help deliver the biggest impact for local people around issues such as education, employment, health & wellbeing, and housing. Delivery of the strategy will be overseen by the Hastings & St Leonards LSP, which meets throughout the year and will consider the main challenges and responses from partners. The strategy will be accompanied by an annual statement, which will provide context and detail progress made throughout the year.

² <https://www.seachangesussex.co.uk/our-programme/>

³ Hastings & St Leonards Anti-Poverty Strategy 2011-14

Tackling Poverty - A Vision for Hastings

Partners have adopted the following vision to help guide the town's Anti-Poverty strategy:

"The voluntary, statutory and business sectors will work together, creating a successful community in which poverty and the struggles associated with poverty have been eliminated"

Seeking to break the cycle of poverty is a long term process. The causes of poverty are multi-faceted. Low income is part of an inter-relationship between causal factors e.g. poor educational attainment, unemployment, poor health and poor housing. Alone, the Council and partners will not eradicate poverty. However, working together, it is possible to intervene in the cycle of poverty, and enable the poorest people in our communities to have more influence and control over their futures. The national and local strategic context underpinning the strategy is set out at Appendix 4.

With this in mind, the Council and Partners will work together to achieve the following priorities:

Education and Employment:

- Improve education and employment opportunities for the most disadvantaged groups.

Health and Well-being:

- Reduce health inequalities and promote well-being.

Housing:

- Seek adequate provision and access to affordable, good-quality homes.

What is poverty⁴ and why does it matter?

Poverty has been described as the final stigma in 21st century Britain:

*"Poverty is not simply about not having enough money or going without luxuries. It is about struggling to get through each day. About constantly making sacrifices; about living in a state of worry verging on perpetual fear, about never knowing how you will survive the week; about never having a few days away, let alone a holiday. It is about your children being haunted by the prospect of being stigmatised, humiliated and bullied. About pensioners not knowing how they can carry on living yet dreading imposing a burden on relatives when they die.... Most of those in poverty cannot help being in their situation. No one chooses to be poor."*⁵

People living in poverty are more likely to be affected by:

⁴ See appendix 1 for definition of poverty

⁵ Reporting poverty in the UK, A practical guide for journalists, page 9

Revised edition 2009, Copyright: Society of Editors. Published by: Joseph Rowntree Foundation, ISBN: 978 1 85935 673 9

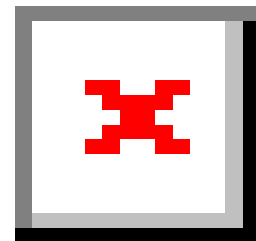
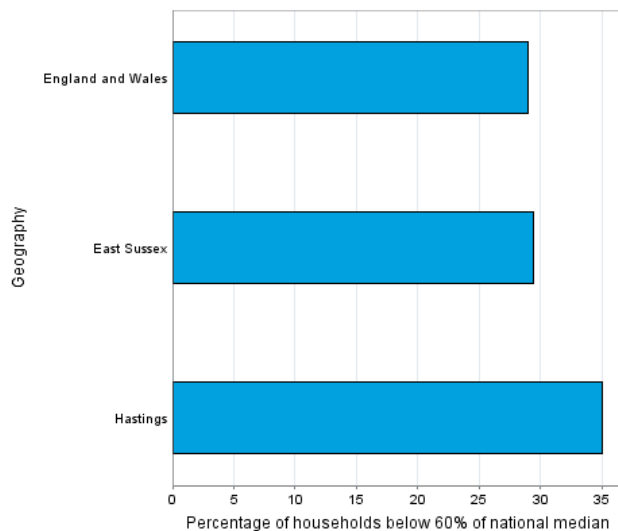
- under-achievement at school
- unemployment
- health problems (physical and mental)
- abuse of alcohol, drugs and other stimulants
- debt
- poor quality accommodation
- insecure housing and homelessness

Levels of UK poverty

Income poverty and inequality remain a major problem in the UK. Data from 2011/12 shows that:

- **13m** people (21% of the population) were living in poverty.
- **3.5 million** Children were living in poverty (that's 27% of children).
- For the first time on record the majority of people in poverty are in working families. Two-thirds of adults in these families are in work.
- The number of people in low-paid jobs has risen. There are now around 5 million people paid below the living wage. (The living wage is based on the amount an individual needs to earn to cover the basic costs of living).
- All types of people live in poverty. Life changes such as unemployment, illness or family separation can happen to us all. Shifts in the cost of living, especially higher prices in essentials such as food and fuel, also affect most people. Poverty isn't something that happens to others. It's something that can happen to almost anyone. However certain groups of people face a much higher risk of living in poverty than others. For example; families that include a disabled person are more likely to be in poverty than any other group. In the UK 24% of families with a disabled person live in poverty.

Households in poverty in 2014 Hastings in Context



Poverty levels in Hastings

Levels of poverty in Hastings are higher than the England and South East averages and are significantly higher than across East Sussex, as indicated in the chart above.

- 14,584 households (35%) are living in poverty
- 16.7% of working age people are claiming out of work benefits in Hastings. This is the 8th highest rate of all Local Authorities in England.

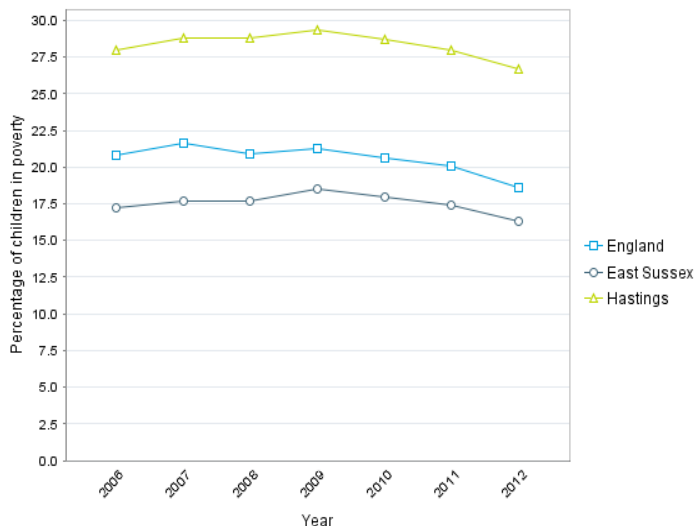
- For those who are working in Hastings, pay remains stubbornly low. Full-time workers living in Hastings earn the 10th lowest weekly gross pay of any local authority in England and Wales.

More detail is available at Appendix 2 on poverty levels in Hastings compared with the South East region and England.

Child poverty in Hastings

Levels of child poverty in Hastings are also higher than the England and South East averages and are significantly higher than across East Sussex.

Children living in poverty 2006-2012



- 5,275

children, well **over a quarter** of all children, living in Hastings live in low income households

- Child poverty levels are highest in Baird, Tressell, Central St Leonards and Hollington where **over 40%** of children in these wards are living in poverty.

The Wider Impact of Poverty

Poverty is not just about a low income. The manifestations of poverty include unemployment, poor housing, poor educational attainment, poor health and disability, crime and limited access to services. The impact of these combined factors is identified in the Index of Multiple Deprivation (IMD), which was updated in 2015.

The IMD 2015 ranks Hastings as the 20th most deprived area in England. It also shows that:

- Hastings remains the most deprived area in the South East and the second most deprived seaside town after Blackpool
- Almost **a third of people** in Hastings live in neighbourhoods that are in the most deprived 10% in England
- The most deprived neighbourhoods are the Broomgrove and Farley Bank/Halton estates and the '7 Streets' area of Central St Leonards, which are among the **most deprived 2%** in England.

The IMD 2015 is the first to include summary measures for local authorities for all seven of the domains and these are set out in the table below.

Domain	Rank
<i>Overall Position for Hastings</i>	20
Income	16
Employment	8
Health & Disability	44
Barriers to Housing & Services	166
Education	36
Crime	52
Living Environment	61

The domains in which Hastings has the most deprived rankings are for income and employment, which are both ranked as more deprived than the town's overall ranking. Education followed by health and disability are the next most deprived domains. Barriers to housing and services are the least deprived.

Although relative deprivation is broadly similar to the position identified in the last IMD published in 2010, the IMD 2015 indicates the town has seen some improvements. The key messages are that:

- Deprivation across the town has reduced overall – nearly 80% of neighbourhoods are ranked as less deprived than in 2010
- Hastings has seen less improvement than other East Sussex districts but has fared better in comparison with other seaside resorts
- Least signs of improvement in neighbourhoods experiencing the greatest levels of deprivation

Finances: The challenges for Hastings

The Welfare Reform Act 2012 put into law the biggest overhaul of the benefits system since the 1940s. The reforms were designed to save £18 billion nationally. Hastings has a high number of households claiming benefits and therefore the impact of welfare reform has been strongly felt.

For example, in Central St Leonards almost 1 in 3 working age residents are claiming out-of-work benefits, including benefits due to sickness or disability. In Hastings overall almost 1 in 5 residents in Hastings are claiming working age benefits: 15.6% of working age residents are claiming out-of-work benefits, of whom two thirds (10.3% of working age people) are claiming due to sickness or disability (compared to 6.3% nationally).

Finances – The Challenges

20% of residents are claiming working age benefits

Nearly 16% of working age residents are claiming out of work benefits – 2/3rds (10.3% of working age people) are claiming due to sickness or disability (compared to 6.3% nationally)

The welfare reforms made changes across all tenures, which fuelled the need for partner agencies to work together to address the emerging issues relating to poverty. Further welfare reforms are now being introduced under the Welfare Reform and Work Act 2016, including a reduction in the Benefit Cap and a freeze on all benefits and the Local Housing Allowance rates until 2020. Although some households continue to be at risk of homelessness or experiencing other issues as a consequence of the changes, the anti-poverty partnership remains strong and significant efforts to mitigate the detrimental effects of the changes are continuing.

Universal Credit

The last, but certainly the biggest, change for local residents is making the transition to Universal Credit, which was introduced in Hastings in April

2015. Although initially very small numbers of households will make the shift to claiming Universal Credit, the Government's aspiration is that all households will be claiming it by 2017.

The new challenge for local agencies is to ensure a smooth transition to Universal Credit for all residents going forward. The work must focus on digital inclusion and financial management as the process for applications for universal credit must be made on-line and is paid 4 weekly in arrears. This is a huge change of process and culture for claimants and professionals supporting households to manage the change.

Financial Hardship

The Department of Work and Pensions has also chosen to enforce their Sanctions policy, which penalises claimants who fail to comply with the terms of their benefit payment. Local issues reported to Citizens Advice 1066 have included long delays in benefit assessment, unfair benefit sanctions or stoppages and hardships caused by lack of funds in a crisis. Anecdotally it seems that sanctions have caused financial hardship for some local residents.

There is a high concentration of people struggling with debt in Hastings. The Citizens Advice Bureaux named Hastings in the top 20 top debt hotspots across England and Wales. People are being pushed into debt as they struggle to stretch their income to cover everyday living costs.

Funding for statutory and voluntary services has been reduced. The challenge of supporting households in financial need is therefore ever greater.

Discretionary East Sussex Support Scheme

After much representation, including that of the Anti-Poverty steering group members, the Government changed its decision to withdraw all funding for local welfare provision. However, the amount available has been reduced by over 50%. In East Sussex, this means a total budget of £584,000 for The Discretionary East Sussex Support Scheme (DESSS). Because of the reduction in funding, the circumstances covered by DESSS have been reduced and some of the items that were provided under the scheme have been removed from the new scheme. Funds have still been made available (although reduced) for rent in advance and rent deposits through each borough and district council. The DESSS team will provide help with food, utilities and certain essential household items where people meet the scheme criteria.

Education and Employment in Hastings

Education

Supporting child development and educational achievement are key areas to help people escape poverty in a sustainable way. Poor educational attainment is acknowledged to be an important contributor to poverty levels.

Research demonstrates that one in four residents in Hastings aged 16+ have no qualifications. Whilst 21% do have a qualification at level 4 or above, this is well below East Sussex and England and Wales, which average 26% and 27% respectively.

Hastings – Education in numbers

51.2% of school pupils achieved 5 or more GCSE's – compared with 56.1% across East Sussex

25% of school pupils receive free school meals - compared with 14% across East Sussex

22% of pupils have special educational needs

There are growing numbers of pupils in Hastings for whom English is not their first language. In 2013/14 there were 769 pupils in Hastings who spoke English as an additional language (EAL) and in 2014/15 this rose to 790. It is also very likely that these figures are under-represented as there are a number of pupils for whom this data is not available.

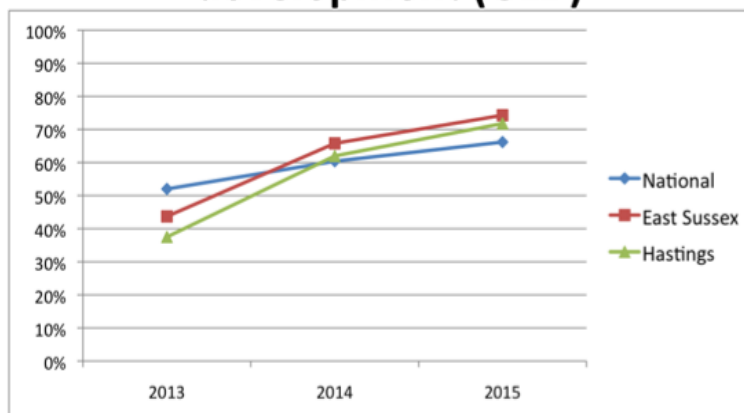
In Hastings, 22% of pupils also have Special Education Needs, which further increase support requirements. 25% also receive schools meals compared with only 14% across East Sussex, which is indicative of the disproportionate level of poverty with Hastings comparative to neighbouring areas⁶.

Hastings has lagged behind East Sussex and the national position on many primary and secondary education performance indicators. Following an

Ofsted 'school improvement' inspection of East Sussex in 2014⁷ concerns were raised about the effectiveness of arrangements for supporting school improvement across East Sussex, particularly in relation to primary school performance, those pupils in receipt of free school meals and the lower than average number of 18 year olds successfully moving on to education, training or employment. It is heartening to note that positive outcomes are being achieved through the resulting action plan, which is delivering improvements across East Sussex, especially in relation to Early Years Foundation Stage and Key Stage 2 performance. Ofsted has recognised this in their 2015 follow up inspection⁸.

In Hastings and St Leonards the last three years have seen improvements and particularly so in relation to early years and primary school performance. At Early Years Foundation stage (age 5) the proportion of children achieving a 'good level of development' has improved significantly year on year since 2013. Hastings achieved 71.8% and has exceeded the national average (66.2%) but still lags behind East Sussex at 74.3% (see chart below).

Percentage of children achieving a good level of development (GLD)



	2013	2014	2015
National	52%	60.4%	66.2%
East Sussex	43.7%	65.8%	74.3%
Hastings	37.5%	62%	71.8%

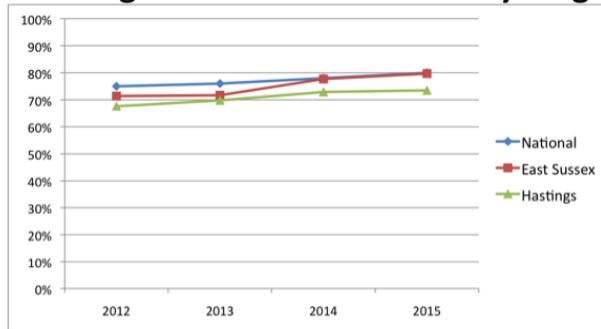
⁶ East Sussex in Fig

⁷ Ofsted Inspection L

⁸ Ofsted Inspection Letter 11 January 2016

At Key Stage 2 (age 11) the percentage of pupils in Hastings achieving Level 4 (average) in reading, writing and maths has increased to 73.5% but this remains less than the East Sussex (79.7%) and national (80%) averages. GCSE performance has also improved.

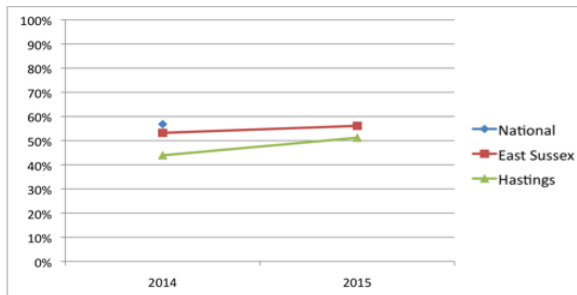
Percentage achieving Level 4 or above in Reading, Writing and Mathematics at Key Stage 2



	2012	2013	2014	2015
National	75%	76%	78%	80%
East Sussex	71.4%	71.7%	77.7%	79.7%
Hastings	67.6%	69.8%	72.9%	73.5%

The percentage of pupils achieving 5 GCSE A*-C passes including maths and English increased from 43.9% in 2014 to 51.2% in 2015, which is a considerable achievement. This is still less than the national (56.8%) and East Sussex (56.1%) averages but is a positive news story if the direction of travel can be sustained.

% of pupils achieving 5 or more GCSEs at A*-C including English & maths



	2014	2015
National	56.8%	N/A
East Sussex	53.2%	56.1%
Hastings	43.9%	51.2%

Over the last 4 years the educational provision in Hastings has moved rapidly to the Academy model with the aim of improving educational attainment and achievement. Two Academy Trusts now operating locally are Hastings Academies Trust (led by the University of Brighton) and ARK (a large, business focused trust). If the improvements taking place at Early Years Foundation key stage, Key Stage 2 and recently in relation to GCSEs are sustained into subsequent years there is reason to be optimistic about future improvements in educational attainment. The key to long term success will be to maintain and develop effective partnerships with and between providers and other partners to maximise the impact improved education and performance can have in tackling poverty.

Employment

Although the number of Job Seekers is falling nationally, Hastings still has the highest Job Seekers Allowance Rate in the county with a rate of 3% (ESiF March 2015). This is nearly double the East Sussex average of 1.6% and is 50 percent more than the Great Britain average of 2%. Similarly, at 8.6% the unemployment rate in Hastings is significantly higher than the East Sussex average of 5.3% (ESiF 2013/14).

Hastings – Employment Key Issues

8.6% unemployed – compared with 5.3% across East Sussex

3% of workforce claiming Job Seekers Allowance - compared with 1.6% across East Sussex

5.8% of 16-24 year olds claiming JSA – compared with 3.4% across East Sussex

With 5.8% of 16-24 year olds claiming JSA, young people in Hastings are worryingly overrepresented within JSA claimants. Whilst youth unemployment is recognised as a national problem, the issue is more significant in Hastings relative to East Sussex and Great Britain, which have claimant rates of 3.4% and 3.1% respectively.

Over one quarter of all employment within Hastings is within the public sector (ESiF 2013). This means that Hastings is reliant on continued Government spending to support these jobs and further cuts to welfare spending would have significant knock-on effects.

The four main industries of employment in Hastings are:

- Human health and social work activities – 18.4%
- Wholesale and retail trade; repair of motors – 16.6%
- Construction – 9.8%
- Education – 9.4%

This industry distribution is broadly similar across East Sussex (ESiF 2011).

Moving forward, employment forecasts suggest that the top four growth industries across East Sussex in the next 10 years will be:

- Construction – 19.4% (4,000 jobs)
- Accommodation & Food Services – 13.5% (2,100 jobs)
- Electricity, Gas & Water – 12.5% (200 jobs)
- Financial & Business Services – 11.1% (4,600 jobs)

Conversely, manufacturing jobs are forecast to drop by 13.4%, a loss of 1,700 jobs (ESiF 2014).

The challenge to Hastings will be ensuring that residents are suitably skilled and qualified to pursue careers within the new growth areas. At the present time the skillset of Hastings residents is considerably lower than counterparts within the county, which means they are at a disadvantage when vying for jobs in a competitive marketplace. The recently completed link road between Bexhill and Hastings opens up the possibility of developing new training and employment opportunities for both towns. Crucially it is important to continue and develop effective links between job creation through Seachange⁹ and local people, particularly as North Bexhill develops in the coming years.

Health Inequalities in Hastings

Many people in Hastings have significantly worse health outcomes than the rest of England. Men in the most deprived areas of Hastings are expected to live 11.1 years less than those in the least deprived parts of the town – the biggest gap in the south east. Life expectancy for both men and women is lower than the England average.

There are a range of underlying reasons for poor health in Hastings, including the high level of deprivation, the percentage of children living in poverty, the percentage

⁹ <https://www.seachangesussex.co.uk/our-programme/>

of overcrowded households, households without central heating and the rate of long term unemployment.

For women, the main cause of the life expectancy gap between the most and the least deprived area is cancer. For men it is due to external causes (particularly suicide and undetermined injury), circulatory disease and cancer.

There are a number of lifestyle factors contributing to residents poor health including; high smoking rates, high levels of alcohol and substance misuse, risk of obesity related illnesses and poor sexual health.

There are high levels of many chronic diseases such as diabetes, respiratory diseases and hypertension. Hastings has significantly worse rate of early deaths from heart disease and stroke than England.

There is also a high level of mental health need. For example, the prevalence of depression, psychoses and dementia are significantly higher than England. Hastings also has a significantly high rate of hospital admission for self-harm.

There is also a relatively high rate of accidents, injuries and falls. For example the hospital admission rate for people aged 65 years + due to falls is significantly higher in Hastings when compared to England figures, as are A&E attendances due to assaults.

Health inequalities related to children and young people.

A child born and growing up in Hastings can expect to live nearly 5 years less than someone in Lewes (30 miles away) where average incomes are much higher.

Compared to other East Sussex districts and boroughs, many lifestyle factors of relevance for children and young people are worse in Hastings. Hastings has: lower breastfeeding rates, a higher proportion of young people who are not meeting the required levels of fruit and vegetable intake; higher rates of smoking in pregnancy and young people smoking; higher rates of alcohol and drug use; poorer sexual health with the highest under 18s conception rate and a significantly higher rate of Chlamydia for persons aged 15-24.

The Child and Adolescent Mental Health Services caseload rate is significantly higher in St Leonards than East Sussex. Emergency admissions for under fives are particularly high in Hastings, many of which are for asthma, diabetes or epilepsy. All localities of Hastings and Rother have significantly higher rates of referrals to children's social care than East Sussex. St Leonards has the highest rate of all wards in the county.

Housing in Hastings

Historically Hastings was a bustling tourist destination for holidays and retreats as evidenced by the large Victorian buildings that can be found throughout the locality. However, the failure of the traditional holiday market led to the creation of large numbers of Houses in Multiple Occupation (HMOs), replacing firstly holiday business, and then displacing family housing. An excessive supply of HMOs became the housing solution for many vulnerable households on low incomes, who often relocated from other areas to access this accommodation. This influx of vulnerable

Health Inequalities in Hastings

Men in the most deprived areas of Hastings can expect to live 11 years less than those in the least deprived parts of the town

Life expectancy for men and women is lower than the England average

A child born and grown up in the town can expect to live 5 years less than a child in Lewes

households has contributed to the creation of areas of extreme social deprivation. The high levels of crime, health problems, educational failure and population churn in some areas of the Borough have created a barrier to inward investment, and the attraction of economically active residents and visitors.

The council is working with partners to ensure a broad approach to economic and social recovery by:

- Business and community led regeneration through the Town Team and other initiatives
- Physical regeneration that has helped to establish large numbers of new culturally based and related businesses to set up and survive in a previous retail wasteland
- Support for a private rented sector and a balanced housing market, which provides for and attracts a range of households rather than being directly linked to the benefit economy.

However, property and land values in Hastings continue to be amongst the lowest in the south east region despite having increased significantly over the last 10 years. Even with the comparatively low values, local residents still struggle to purchase affordable, good quality accommodation, particularly as the average household wage or income is significantly less than that of other households in the surrounding areas.

The supply of social housing is not sufficient to meet housing demand locally. There is therefore a reliance on the private rented sector, which makes up 30% of all the housing stock in the Borough. The private rented sector as a proportion of all the housing available in the Borough is larger than the rest of East Sussex and more than double the national average. Private sector rents in some areas remain comparable with social housing rents and are set around Local Housing Allowance levels. However, more recently the gap between the two tenures has widened making it increasingly difficult for those on low incomes to secure suitable housing for private rent.

Nevertheless, relative to many other areas of the South East, accommodation costs are more affordable making it an attractive option for households who need or wish to relocate from outside the area in order to find more affordable housing solutions. This can make the housing market increasingly competitive.

Despite progress to address issues of deprivation in the town, poverty remains a feature. Central St Leonards is the most deprived community in the South East. The worst housing conditions and some of the highest levels of deprivation are concentrated within private sector housing in the town centres of Hastings and St Leonards.

Anti-Poverty: Strategic Priorities & Objectives

Despite the current climate of funding streams being cut, there remains a sustained commitment from the voluntary, statutory and business sectors in mitigating, combating, and alleviating poverty. The strategy is intended to guide partners' work in addressing poverty. Delivery of the strategy will be overseen by the Hastings & St Leonards LSP, which meets throughout the year. The strategy will be accompanied by an annual position statement that will:

- Consider the main anti-poverty challenges and responses from partners
- Highlight successes and the progress made towards meeting objectives throughout the year
- Outline priorities for action over the year ahead

The strategic priorities for action agreed with partners are a direct response to many of the local issues identified in the preceding chapters concerning education, employment, health & wellbeing, and housing. The priorities are designed to help deliver the biggest impact for local people in respect of these issues and are supported by a range of agreed objectives. Partners recognise that the public sector has diminishing resources and acknowledge the need to prioritise the use of those resources that are available to best effect. It will be important, therefore, to use the priorities identified within this strategy to support bids for external funding, such as 'community led local development' (CLLD). The objectives are set out below against each of the three strategic priorities:

Education and Employment: Improve education and employment opportunities for the most disadvantaged groups.

Objectives:

- 1) Improve educational attainment for all.
- 2) Promote and extend where possible opportunities to increase digital inclusion.
- 3) Support children and young people from 'troubled families' to progress well from early years to school leaver and into education, training or employment.
- 4) Create employment opportunities for local people and support local businesses to thrive and grow.
- 5) Increase the number of businesses engaged in work-based training, apprenticeships and graduate training.
- 6) Support ESCC plans to increase the availability of good quality, affordable childcare.

Health and Well-being: Reduce health inequalities and promote well-being.

Objectives:

- 1) Reduce health inequalities to improve the prospect of a longer, healthier life.
- 2) Support the best possible start for babies and young children so that they develop well and are safe and healthy.
- 3) Enable people to manage and maintain their mental health and well-being.
- 4) Minimise negative impacts of welfare reform for local people.
- 5) Maximise income and minimise incidences of debt.

Housing: Ensure adequate provision of affordable, good-quality homes.

Objectives:

- 1) Tackle poor housing and support regeneration.
- 2) Prevent homelessness and deliver affordable homes.
- 3) Address the housing and support needs of vulnerable people

Appendices

Appendix 1 - Definitions

Poverty:

Poverty in the UK tends not to be absolute, but relative poverty.

- Absolute poverty: When basic human needs are lacking, e.g. clean water, nutrition, health care, education, clothing and shelter.
- Relative poverty: When someone's resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns customs and activities.
- Relative income poverty: Households whose combined income is 60% or less of the average (median) British household income in that year (after housing costs). Such a level of income restricts one's ability to fully participate in society. This is the most common measure of poverty and is used by the UK Government. References made to poverty within this strategy are to relative income poverty.

Partners/partnership:

Throughout this document reference is made to partners/partnership. Those partners include the many voluntary organisations, statutory organisations and businesses working to minimise poverty in Hastings. At a time when funding streams are being cut, there is even greater value in pulling together as a community to combat poverty. A short, sample list of partners includes:

- Amicus Horizon
- Brighton Housing Trust
- Citizens Advice 1066
- East Sussex County Council
- Education Futures Trust
- Hastings Advice and Representation Centre (HARC)
- Hastings and Rother Clinical Commissioning Group (CCG)
- Hastings and Rother Credit Union
- Hastings Neighbourhood Policing Team
- Hastings Voluntary Action
- Kings Church
- Orbit South
- Snowflake Night Shelter
- Sussex Coast College
- Sussex NHS Foundation Trust
- The Department of Work and Pensions
- The Seaview Project

Appendix 2 – Households in Poverty

Households in poverty in 2015 – Hastings Compared with East Sussex, South East and England

This dataset shows the number and percentage of households living in poverty. A household in poverty is one whose income is below 60% of national median household income, which in 2015 was £17,217.

Measure	Total number of households	Number of households below 60% of national median	Percentage of households below 60% of national median
Geography			
England	22,818,109	6,453,002	28.3
South East	3,692,838	845,538	22.9
East Sussex	239,884	68,802	28.7
Hastings	41,994	14,588	34.7

Source: CACI household income estimates, 2014

Households in poverty in 2015 – Hastings Compared with East Sussex Districts

This dataset shows the number and percentage of households living in poverty. A household in poverty is one whose income is below 60% of national median household income, which in 2015 was £17,217.

Measure	Total number of households	Number of households below 60% of national median	Percentage of households below 60% of national median
Geography			
Eastbourne	46,264	15,085	32.6
Hastings	41,994	14,588	34.7
Lewes	44,037	11,549	26.2
Rother	41,741	12,731	30.5
Wealden	65,848	14,850	22.6

Source: CACI household income estimates, 2014

Older people affected by income deprivation in 2012

This table shows the number and percentage of older people (aged 60 and over) living in poverty, as a percentage of the total population in that age group. It shows results from the Indices of Deprivation 2015 (ID 2015) on the proportion of older people in East Sussex living on low incomes in 2012. This is given in a supplementary index from the ID 2015 - the Income Deprivation Affecting Older People Index (IDAOPI).

Measure	Total number of people aged 60 and over	Number of older people affected by income deprivation	Percentage of older people affected by income deprivation
East Sussex	162,420	21,314	13.1
Hastings	21,805	4,784	21.9

Source: Indices of deprivation 2015, Department for Communities and Local Government.

Children in low-income families, 2009 – 2013

This dataset shows the number and percentage of children living in low-income families, here described as children in poverty. The Children in Low-Income Families Local Measure is the proportion of children living in families in receipt of out-of-work benefits or in receipt of tax credits with a reported income below 60% of the national median income.

Measure	Percentage of children in poverty					Total number of children in poverty				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
Geography										
England	21.3	20.6	20.1	18.6	18.0	2,429,305	2,367,335	2,319,450	2,153,985	2,097,005
South East	15.4	15.0	14.6	13.5	13.2	280,755	275,935	270,945	252,520	245,960
East Sussex	18.5	18.0	17.4	16.3	15.8	19,325	18,830	18,230	17,150	16,655
Hastings	29.3	28.7	28.0	26.7	25.4	5,725	5,635	5,505	5,275	5,080

Source: HM Revenue & Customs, Children in Low-Income Families Local Measure statistics.

Appendix 3 - Hastings Anti-Poverty Strategy 2011-2014

Key Successes

The Council's first Anti-Poverty Strategy was adopted in 2011 demonstrating a firm commitment to addressing poverty in Hastings. This document outlined the key strategic priorities to:

- Dispel the Myths about Poverty
- Help People to Manage Poverty
- Help People to Escape Poverty
- Help Prevent and Minimise Poverty

Significant progress was made to achieve these priorities. Key successes include:

- The East Sussex Welfare Reform Project was established in 2013 to assist households to manage the impact of the welfare reform. The Supporting People funded service has provided advice and assistance to those affected by benefit changes. The total additional income gained for Hastings residents between April 2013 and November 2014 was approximately £1M. (See Appendix 5 for Welfare Reform Project example case study).
- Additional to the £1 million achieved with the support of the East Sussex Welfare Reform Project, Hastings Advice and Representation Centre (HARC) has generated almost a further £2 million for Hastings residents during the period 1st December 2013-30th November 2014. HARC are specialists in providing advice and representation on all welfare benefits and tax credits. They have provided support to residents through a range of funded projects, including the Hastings Borough Council Community Partnership Fund e.g. They provide advice and representation to housebound people through a project funded by Henry Smith and the Tudor Trust; advice and representation at outreach surgeries across Hastings through a project funded by Hastings Borough Council (REACH) and advice and representation to Hastings' pensioners through a project funded by Magdalen & Lasher. (See Appendix 5 for HARC case study).
- The Discretionary East Sussex Support Scheme (DESSS) was set up in 2013 to fill the gap left by the Government's abolition of the Social Fund. Funded by central Government, DESSS provides individuals and families in crisis with essential items such as clothing, nappies, beds and heaters. From April 2013-November 2014 DESSS provided support worth £370,228 to 760 households in Hastings. (See Appendix 5 for DESSS example case study).
- From 6th April 2013-5th April 2014 DESSS, together with Hastings Borough Council and Hastings and Rother Credit Union also provided loans to cover rent in advance and other housing costs to 220 households providing £110,000 financial support. Without this support these residents might not have been able to secure a private tenancy and could have faced homelessness.
- Hastings Foodbank provides a minimum of 3 days food and support to local people in crisis. Since opening in April 2012 until November 2014 its team of volunteers has provided support to nearly 9,000 local people, giving out over 67,000kg of food. Recipients have been referred on to over 50 frontline agencies for further support.

- Citizens Advice 1066 is a charity offering local residents information and advice on some of the most pressing issues they face today, including debt, benefit entitlement, housing, employment, consumer, immigration and relationship problems. The service is independent, confidential, impartial and free of charge, and is run with the help of around 40 trained volunteers supported by a core team of staff. In the year 2013-2014 they helped 5,160 people across Hastings and Rother to find solutions to 13,741 problems.
- Hastings Furniture Service (HFS) serves Hastings and Rother with furniture stores in Hastings and Bexhill. The stores are open to all but give large discounts and free delivery to low income households receiving benefits or working tax credits, other charities and community groups, students and pensioners. Over 4,000 furniture deliveries are made each year for low income households, helping them furnish their homes affordably. HFS also delivers the furniture, appliances, starter packs and bedding funded by the Discretionary East Sussex Support Scheme (DESSS) which helps resolve or prevent homelessness. HFS has led the campaign to save government funding for this scheme in our area. A non-profit removals service is also available for households with low-incomes, providing access to a professional level of service at an affordable price. Each year 300 tonnes of furniture and electrical goods are reused through HFS and the charity's craft workshops are working to extend this reuse and create further training opportunities through their creative Craftivists project. Annually, around 100 people benefit from training, volunteering or paid work-with-training with the charity, gaining qualifications, skills and confidence.
- A successful training event for professionals took place in September 2014. This event, run by The Department for Work and Pensions and Local Authorities, attracted over 70 professionals from the statutory and voluntary sector to attend. Entitled "Managing the impact of the benefit changes" the training included key note speeches about benefit reform and sessions to enable staff to support residents more effectively.

Appendix 4 - Tackling Poverty Together: Hastings Borough Council and Partners

National context

In March 2010 [the Child Poverty Act](#) legislated that the Government commit to eradicating child poverty in Britain by 2020. It required the Government to publish a UK child poverty strategy, which must be revised every three years.

The Government published [the Child Poverty Strategy 2014-2017](#) in June 2014. It outlines aims to end child poverty by 2020. However, Hastings Borough Council and partners are acutely aware that poverty affects all ages and are committed to addressing poverty for any household affected by poverty in the borough.

Sub-regional context

[The East Sussex County Council Plan](#) sets out strategic priorities to achieve by 2017. The four priority outcomes are: driving economic growth; keeping vulnerable people safe; helping people to help themselves; making best use of resources.

Local authorities and strategic partnerships in East Sussex have worked together to produce [Pride of Place](#), the sustainable community strategy for East Sussex. Pride of Place sets out a long term plan for improving people's quality of life.

[The Child Poverty Act 2010](#) places duties on local authorities and partners to work together to tackle child poverty and produce a child poverty strategy. In East Sussex this is covered through The Children and Young People's Plan 2015-2018. This document includes priorities to improve the lives of children, young people and their families in East Sussex.

[The Health and Social Care Act 2012](#) requires the establishment of Health and Wellbeing Boards. The aims of these forums are to improve the health and wellbeing of the local population and reduce health inequalities. In East Sussex The Board's strategic priorities are recorded [In Healthy Lives, Healthy People: The East Sussex Health and Wellbeing Strategy 2013-2016](#).

[East Sussex Better Together](#) is a programme to ensure a cost-effective, integrated, health and social care system in East Sussex. The Programme brings together East Sussex's four health and social care commissioning organisations, including Hastings and Rother Clinical Commissioning Group (CCG) and East Sussex County Council.

In the summer of 2014 [Hastings and Rother CCG](#) launched a £5 million action plan to tackle poor health in the area. [The action plan](#) has been developed as local people currently suffer significantly worse health outcomes when compared to other areas. The reasons for this are linked to factors such as deprivation and the economy.

Appendix 5 – Case Studies

Welfare Reform Project Case Study 1

A client who works part-time made a claim for Disability Living Allowance (DLA) in April 2013, she was sent a decision in March 2014 telling her she was not entitled. She had submitted the appeal herself and called the helpline a week before the hearing date for help. Her case was referred to a specialist advisor.

The Department for Work and Pensions refused the DLA claim because the client had not been resident in the UK for two of the last three years. She explained to the advisor that she had spent the last 10 years living between France and the UK, returning to the UK for good in March 2013.

The advisor met the client and explained an appeal would not succeed unless she could provide evidence about the amount of time she spent in both countries with dates. She agreed to provide the advisor with bank statements, diaries and other paperwork about her comings and goings. She also agreed to ask the Tribunal to postpone the hearing date.

The advisor met the client several times before the new hearing date in June 2014 and was able to establish from her records that she had spend two of the last three years in the UK. This new information was presented to the Tribunal, which she won.

The client was awarded DLA middle rate care and higher rate mobility (£108.25 per week) backdated to April 2013. Her DLA is currently being paid at £111.20 per week, the client said this helps her to leave an independent life and continue working part-time.

Welfare Reform Project Case Study 2

Following his attendance at an ATOS medical appointment in March, Mr X was informed by telephone and then in writing that he had not scored "enough points" to continue to receive employment and support allowance (ESA) which was his only source of income. Mr M has a number of physical and mental health issues and considered he was still not able to work. This view was shared by his GP.

Mr X sought help through the telephone helpline to make a mandatory reconsideration. He was seen by an advisor who explained that DWP would take between 2 - 6 weeks to make a decision. Mr X was advised if he was not able to work, his only option was to claim Jobseekers Allowance while the reconsideration was ongoing.

Mr X wanted to make a new claim for ESA because he was still getting medical certificates, the advisor explained a new claim would not succeed because there had not been a serious deterioration in his health and he did not have any new medical conditions.

The advisor explained to Mr X that DWP would notify the local authority he was no longer entitled to benefit and he should contact the council to explain the situation to them. He made his reconsideration request in writing.

Mr X submitted a claim for Jobseekers Allowance, but was concerned he would be subject to sanctions because he would be unable to comply with his job seeking requirements. The advisor explained he could ask for reasonable exemptions due to his health, but it was important he complied with his claimant commitment. Mr M was not in fact sanctioned.

Mr X was provided with a food voucher to cover the delay between the last payment of his ESA and his first payment of JSA. There were no problems with his housing benefit or council tax reduction not being paid or delayed.

By early May, Mr X had not received his ESA reconsideration decision. The advisor contacted DWP who said it was sent to Mr X two weeks previously, but it transpired it had been sent to the incorrect address. The reconsideration had not been unsuccessful. The advisor had managed Mr X's expectations by telling him he may need to appeal if the reconsideration was refused.

An appeal was submitted to Her Majesty's Courts and Tribunal Service, two weeks after this he stopped "signing on". ESA was paid at the basic rate (this is the same rate as JSA) while the appeal was being dealt with by HMCTS. Mr X's advisor considers that he has a good chance of winning the appeal having seen DWP's reasons for not awarding it. He is receiving ongoing support from the specialist advisor with his appeal. (Nov 2014.)

Discretionary East Sussex Support Scheme (DESSS) Case Study

Ms D faced starting a new home for her two children with very little money, having fled from an abusive partner. She went to a Hasting Furniture Service store to buy some second-hand beds so the children would at least have something to sleep on and staff there told her about DESSS. She called the helpline to apply and the DESSS responded quickly, sending confirmation of her award within 24 hours, which Hastings Furniture Service was able to deliver the next day. Ms D was delighted that the scheme provided bedding for her beds and also a cooker, kitchen starter pack and fridge-freezer so she could make meals for her family.

HARC Case Study – Jobseeker's Allowance (JSA) Sanction

Mr W contacted HARC because an agreed hardship payment had not been paid to him on the agreed date. The advisor established that Mr W was due to receive a hardship payment because he had been sanctioned. The four week sanction was given because he had failed to sign at the agreed times and dates on three occasions. The advisor contacted the Jobcentre to confirm that the first signing Mr W had was late because his child was ill and he had taken the child to the doctor. The second signing (a week later) had been missed because the same child was taken into hospital, but again he attended the Jobcentre the next day. The following week Mr W did not need to attend the Jobcentre because he usually attended every two weeks. However, he had been changed to weekly signing. The Jobcentre agreed to treat the discussion with the advisor as a mandatory reconsideration request and decided to remove the sanction because Mr W had good reasons for attending the JCP office late on the first two occasions and that on the third occasion he had been given misleading information about his signing date.

Appendix 6 - Background Documents and Links to Research

Statistics:

Key statistics included in this document were sourced from East Sussex in Figures <https://www.eastsussex.gov.uk/>

Department for Work and Pensions yearly [Households Below Average Income](#) figures - includes figures before and after housing costs.

The English Indices of Deprivation 2015 - <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

Her Majesty's Revenues & Customs - Child Poverty Statistics - <https://www.gov.uk/government/statistics/personal-tax-credits-children-in-low-income-families-local-measure-2013-snapshot-as-at-31-august-2013>

Department for Work and Pensions Pension Credit information sourced from NOMIS - <https://www.nomisweb.co.uk/> Pension Credit tops up the income of those entitled to the basic state pension

Annual Survey of Hours and Earnings sourced from Office for National Statistics - <https://www.ons.gov.uk/>

Reports:

Reducing Health Inequalities in Hastings and Rother CCG area, April 2014, East Sussex Public Health

Reducing Health Inequalities in Children and Young People in Hastings and Rother CCG, Updated March 2015, East Sussex Public Health

The Local Impacts of Welfare Reform, August 2013, Centre for Economic and Social Inclusion/Local Government Association

Monitoring Poverty and Social Exclusion 2013, Joseph Rowntree foundation http://www.jrf.org.uk/topic/monitoring_poverty

Monitoring poverty and social exclusion 2010 by Anushree Parekh, Tom MacInnes and Peter Kenway. Joseph Rowntree Foundation www.jrf.org.uk

[Reporting Poverty in the UK: A practical guide for journalists](#)

Revised edition 2009, Copyright: Society of Editors. Published by: Joseph Rowntree Foundation, ISBN: 978 1 85935 673 9

Poverty Rip Off – Save the Children Fund - http://www.savethechildren.org.uk/en/docs/UK_Poverty_Rip_Off_Brief.pdf

Poverty among ethnic groups how and why does it differ? Peter Kenway and Guy Palmer, New Policy Institute (JRF) <http://www.poverty.org.uk/reports/ethnicity.pdf>

Poverty and Exclusion, Special Eurobarometer, European Commission September 2007 www.ec.europa.eu/publicopinion/archives/ebs/ebs_279.pdf

Agenda Item 11



Report to: Cabinet

Date of Meeting: 5th September 2016

Report Title: Coastal Medium Term Plan

Report By: Monica Adams-Acton
Assistant Director for Regeneration and Culture

Purpose of Report

To update Cabinet on a major Coast Protection project that has recently gained approval for grant funding.

Recommendation(s)

1. Delegated authority is given to the Director of Operational Services, in consultation with the Lead Member for Regeneration and Culture for the tender and contract for the works, based on the Environment Agency funding arrangements.

Reasons for Recommendations

Hastings Borough Council as Coastal Protection Authority has permissive powers under the Coast Protection Act 1949 to carry out capital and revenue works to protect against Coastal Erosion. The Environment Agency (EA) maintains responsibility for Flood Risk Management.

In 2009 we successfully bid for approximately £300k from DEFRA (Department of Environment Food & Rural Affairs) for a relatively small scale coast protection scheme, to construct a new rock groyne at Carlisle Parade and to undertake concrete repairs to groyne 1, at Rock a Nore.

The rock groyne was built with the understanding that it would be the initial stage of improvement works in this vulnerable area of our seafront and the hope was that within five years the scheme would be improved, reusing the limestone rocks.

Stage 2 of the scheme will be completed in two phases over 2016 and 2017. It includes the construction of two rock groynes and shingle replenishment at Carlisle Parade and repairs and rock defence construction of the Harbour Arm.

The £4,061,000 is funded almost entirely by FDGiA (Flood Defence Grant in Aid) from DEFRA. HBC will be asked to contribute £30,000 towards the scheme funded from our rolling capital defence works programme.



Hastings Coastal Defence Works Stage 2

Background

1. Up until 2007 overtopping by waves of the seawall at Carlisle Parade occurred on a regular basis. In October 1999 a 1 in 10 year storm caused flooding to the underground car park and other buildings in the area.
2. Since a new rock groyne was built in 2009 and beach recycling into that area has taken place, the incidence of flooding has reduced. However, the beach level there is now very low and flood risk has again become high.
3. The risk of flooding from overtopping in this area has been recognised in the later versions of EA Flood Maps and for that reason the Town Centre is one of the additional areas now included in Multi Agency Flood Plan developed earlier in 2016.
4. Risk from coastal erosion and flooding is identified through studies, surveys and improved modelling. Policy towards risk based management is set down in the Shoreline Management Plan and detailed within Coastal Strategies for the areas covering our coastline.
5. The potential need for schemes to be funded through FDGiA grants are highlighted and evaluated centrally by the EA using a process of Medium Term Planning, towards which Hastings Borough Council submits an updated programme each year. The scoring system allows DEFRA to allocate central government budgets.
6. Hastings Borough Council received £85,000 of funding and support for this proposed scheme to be developed through the RFCC (Regional Flood & Coastal Committee) in 2015. A Project Appraisal Report (PAR) that details the issues, design, costs and benefits was produced on HBC's behalf by Canterbury City Council (CCC). They will also project manage the scheme's delivery and provide site supervision during the construction phase.
7. CCC still retain an extensive engineering department and we benefit from both their skills and local experience through a framework agreement with the East Kent Engineering Partnership. They have provided both informal advice and support and well as project management services (including the 2009 capital works) for a number of years to HBC at considerably reduced rates than we would pay for commercial engineering consultants.

Present Situation

8. Over the last year, there has been a significant reduction in the size of the beach protecting the seawall along the main Hastings seafront for a distance of 700m east of the Pier. The overall rate of erosion of this length of beach from 2009 to 2015 has averaged 3,700 m³ per year. Accurately measured by the Strategic Coastal Monitoring Programme surveys that includes Hastings.

9. The most critical location for seawall stability and overtopping is a 50m length immediately downdrift of the existing rock groyne. Using the long term rate of change at this location it is predicted that the beach will all be lost within 15 years. In a further 5 years (2036), a further length of 250m of seawall would have no beach protection to the toe and would be at risk of breaching.
10. Once the seawall has breached erosion of the land behind will commence. The land for at least 300m behind the seawall east of the Pier is reclaimed. This is made up of sandstone eroded from the cliffs behind, beach shingle and general fill material. As soon as the seawall fails the action of the sea on the unprotected fill behind the breach will quickly extend the spread of erosion.
11. Flooding from overtopping, caused by water flowing across to Harold Place and then running downhill to the low level area of the town centre, potentially effects 32 residential properties and 178 commercial units. If nothing is done a further 272 residential and 93 commercial properties will be lost as a result of coastal erosion over a 50 year period.
12. The main A259 coastal route from Folkestone through to Brighton is also protected behind the seawall along this stretch of seafront. This road would be immediately lost as soon as the seawall fails. There is a trunk sewer rising main running under the A259 which would also be lost as soon as the seawall fails.
13. The second problem area is at the Harbour Arm, which acts as a terminal groyne protecting the large beach to the west. There are gaps in the upper part of the structure and in general the overall condition is poor. The length most at risk is the middle section where the remaining life of the structure is identified as between 0 and 15 years.
14. As well as the structural integrity problem, overtopping has increased at the parts where the upper structure is missing, resulting in cliffing of the beach and difficulty with launching of the fishing fleet. This issue was identified and explored in detail as part of the Coastal Adaptation Pathfinder Project.
15. If the middle part of the structure fails this will eventually cause the whole beach to the west to retreat to its natural orientation. In total 305,000 m³ of shingle would be lost through the failed Harbour Arm. A conservative rate of 30,000 m³ is used in this analysis resulting in it taking 10 years for the beach to regress from the present condition to a substantially reduced beach in front of the seawall at Pelham Place car park. Further west, where the beach is currently much smaller, the beach would regress such that there would be minimal protection to the seawall.
16. In addition to the loss of property, the failure of the seawall would also result in a rapid degradation in the amenity, tourist and recreation value of the seafront and seaside town, particularly because a part of the town centre would also be eroded. The Tourism Southeast annual report for Hastings for the year 2014 estimates staying trips in the order of 420,000 and day trips of 3,200,000.

Options Considered and Design Choice

17. A full range of options were considered to improve the situation and protect the seawall and Harbour Arm. These included building a new higher seawall, placing a

rock revetment in front of the seawall and various forms of groynes to contain the beach. Timber groynes were also examined, but they would have to be relatively close-spaced and would tend to distract from the open beach at this location.

18. A new rock groyne together with beach recycling at Carlisle Parade was chosen, as this was considered to be most in keeping with the existing environment at this location - an open beach with minimal intrusions. The existing rock groyne to the west blends in well with the environment and the type and colour of the rock for the new groyne would be similar.
19. It is considered that the new rock groyne will not impact on the significance or setting of the conservation area and its construction will benefit the area in that it will protect it from damage and loss as a result of coastal erosion and sea flooding.
20. Using the preferred option the standard of defence would be sustained at 0.5% standard of protection for the 50 year life of the project i.e. a 1 in 200 year storm.
21. The work will be carried out in two phases with phase 1 of the contract programmed to be in Year 1 (2016). One new rock groyne would be built using 1,760m³ of 3-6 tonne limestone or granite armour rock. Delivery of the rock would be by sea, probably on side tipping vessels. The existing rock groyne would also be raised to be of similar profile to the new groyne, requiring a further 610m³ of rock.
22. The improved beach would be formed by recycling approximately 27,000m³ of shingle from the large existing beach to the west of the Harbour Arm. The cost savings through shingle recycling, as opposed to dredging and importing, have contributed to the cost benefit of the scheme.
23. In order to maintain access to the beach between the existing rock groyne and the new one, a set of new timber steps will be constructed of similar form to those that exist elsewhere along the Hastings seafront. These will provide valuable additional access to an increasingly popular area of beach and promenade.
24. The second phase programmed for 2017 would be for the reinforcement works to maintain the structural integrity of the middle and outer section of the Harbour Arm. A total of 14,500m³ of rock protection is likely to be required using 9-12 tonne armour rock placed on both sides of the existing structure and on the top where there are gaps. At the same time the inner landward section of the Harbour Arm structure would be refaced with a total of 175m³ of concrete over a 70m length.

Financial Implications

25. Phase 1 costs in 2016/17 were estimated at £812,000 including contingency, fees and supervision. Phase 2 costs are similarly estimated at £3,249,000, giving a total scheme total of £4,061,000 as part of the PAR submitted in March 2016 to National Project Assurance Service (NPAS) of the EA.
26. We applied to NPAS for an approval sum for the two contracts of £3,275,000 plus an Optimism Bias contingency of £786,000 making a total project cost of £4,061,000. Funding through FDGiA has now been approved for £4,031,000 with a contribution of £30,000 from HBC.

27. The £30,000 contribution will be funded from HBC's Coast Protection Works Capital programme which has an allocation of £35,000 annually. Any planned maintenance and refurbishment works that would have been carried out during 2016/17 will be postponed until 2017/18. Responsive repairs and maintenance can still be carried out using revenue budgets.

Next Steps

28. The scheme requires a licence through the Marine Management Organisation (MMO) and this has been applied for in advance of approval. In addition, the scheme has also been advertised by HBC in the local paper and initial notification and consultation has been carried out with a range of local stakeholders (including the Fishermens Protection Society, RNLI, Coastguard, Angling Clubs, Pier etc)
29. More detailed consultation and liaison will be essential, particularly with fishermen once the contract is awarded and a detailed programme of works is developed. This will be specially critical for the Harbour Arm works in phase 2.
30. A planning application has been submitted for the construction of the new rock groyne. A second application for the Harbour Arm works will be made once the works are detailed.
31. Work will be undertaken outside of summer months in order to avoid disruption to tourism and minimise the risk to people during plant movements. During works, safety barriers and clear signage will be used to prevent the public from being in the vicinity of heavy plant. Subject to receipt of the necessary consents and approvals it is anticipated that phase 1 works will start on site during mid-September 2016 and should be completed by early December.
32. CCC has already tendered phase 1 works and these are currently being evaluated. Once a contractor has been identified and appointed CCC will work with HBC Legal Services who will be responsible for issuing the contract documents.
33. Further surveys and site investigation will be carried out in November 2016 to inform the Phase 2 works to the Harbour Arm. These will then be tendered during April/May 2017 with works starting during September 2017. They are anticipated to last 12 weeks, finishing in early December.
34. There is likely to be considerable local interest in the works and the last smaller scheme that was carried out also attracted local and national news teams. The rock delivery, for example, can be particularly dramatic.

Wards Affected

Castle, Old Hastings

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness No

Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	Yes
Anti-Poverty	No

Additional Information

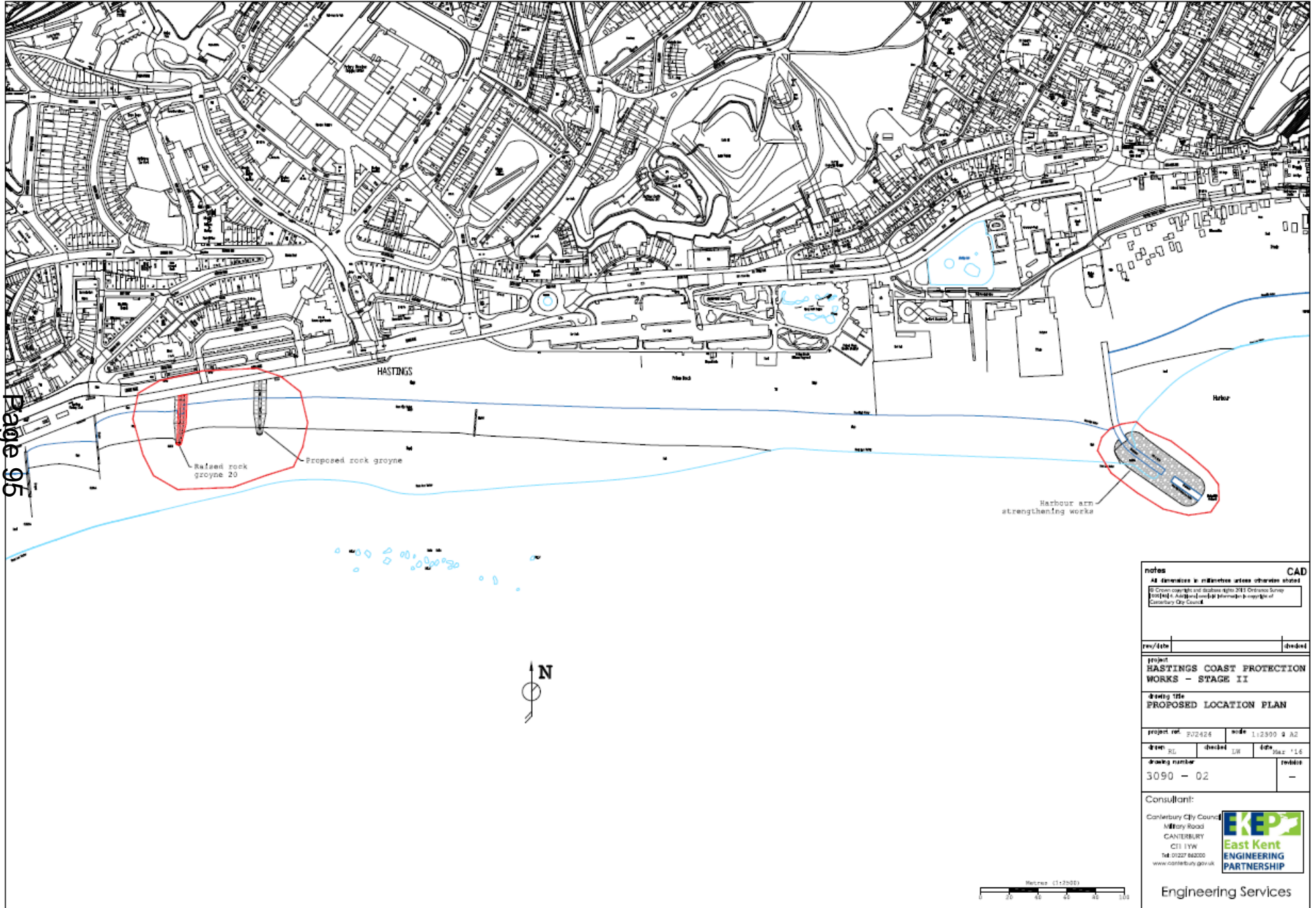
Appendix A – Plan of Proposed Works

Officer to Contact

Nick Sangster
nsangster@hastings.gov.uk
01424 451138

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Appendix A Plan of proposed works



notes		CAD	
<p>All dimensions in millimetres unless otherwise stated</p> <p>© Crown copyright and database rights 2011 Ordnance Survey 10001916. All rights reserved. Information is copyright of Canterbury City Council.</p>			
rev/date		checked	
<p>project HASTINGS COAST PROTECTION WORKS - STAGE II</p>			
<p>drawing title PROPOSED LOCATION PLAN</p>			
project ref: P02426		scale: 1:2500 @ A2	
drawn: RL	checked: LW	date:	size: 11.6
drawing number 3090 - 02		revision -	
<p>Consultant: Canterbury City Council Military Road CANTERBURY CT1 1YW Tel: 01227 86200 www.canterbury.gov.uk</p>			
Engineering Services			

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Agenda Item 12



Report to: Cabinet

Date of Meeting: 5 September 2016

Report Title: Energy Procurement

Report By: Tom Davies
Chief Auditor

Purpose of Report

To seek approval from Cabinet to re-new the Council's membership of the Laser Energy Buying Group and to participate in the flexible procurement framework established by Laser from October 2016 to September 2020.

Recommendation(s)

- 1. To continue to support and participate in the Laser Energy Buying Group's new flexible procurement framework for the period October 2016 to September 2020.**
- 2. To delegate authority to the Director of Corporate Services and Governance or her nominee to finalise the tripartite agreements associated with the framework.**

Reasons for Recommendations

The Laser Energy Buying Group is a government approved public sector buying agency (a trading arm of Kent County Council), providing an energy procurement service to some 210 member authorities in the South East of England, with a successful track record of purchasing performance for the period April 2009 to August 2016.

They have requested that they need an indication of commitment as they are unable to undertake any purchases until the contracts are in place which can take some time in terms of drafting the documentation based on each authority's individual requirements.

The Council's Constitution, Part 9 Financial Rules Section 3, requires Cabinet approval for expenditure exceeding £200,000.

Introduction

1. On 11 July 2011, Cabinet took the decision and endorsed the proposal continue to support and participate in the Laser Buying Group's flexible procurement framework for the period from September 2012 to October 2016
2. Following the EU compliant tendering exercise carried out by Laser, NPower is the preferred supplier for electricity and Total Gas for the supply of gas. In addition, the Council currently use EDF Energy (being the lowest price) for its smaller electricity sites (of which we have around 60) and Laser carry out the rate negotiation on the Council's behalf using market testing tendering methods. About 2/3rds of the Council's electricity spend is used in its main buildings (i.e. Town Hall and Aquila House) where we currently use Npower (being the lowest price for these larger sites), and 1/3rd is used in its numerous smaller sites around the Borough. This arrangement ensures that the Council is obtaining the best possible energy prices for its overall property portfolio.
3. Laser have also requested that they need an indication of commitment as quickly as possible as they are unable to undertake any purchases until the contracts are in place which can take some time in terms of drafting the documentation based on each authority's individual requirements.

Current Situation

4. The Council's total energy budget for 2016/17 is £306,160. This is made up as £248,170 for electricity and £57,990 for gas. This has been based on last year's budget provision but also takes account of energy efficient measures, for example, the new office accommodation.
5. As the Council spends in excess of £200,000 per year on its energy, there is a requirement under the Council's Financial Rules that approval must be obtained from Cabinet to enter into any new agreements.

The Laser (London & South East Region) Buying Group

6. The Laser Energy Buying Group provides a comprehensive energy management service to some 210 local authorities and therefore has one of the biggest energy client portfolios for public sector authorities in the country. There is currently no comparable agency that can provide a similar service which has such a large client base. This is an important factor when making comparisons as the total purchasing power is linked to the number of member authorities that participate in the flexible framework. Laser has a staffing organisation of around 60 whom dedicate themselves to all the detailed analysis of each authority's individual requirements but this is then extended into a consolidated purchase alongside all of the other participating members. Hastings Borough Council is relatively small compared with other authorities but the prices obtained via the flexible procurement framework are the same prices being paid by the larger authorities.

7. Laser do charge a small service fee of 0.081p (per kWh) for their gas accounts and 0.170p (per kWh) (Half hourly) and 0.213p. (per kWh) (Non-Half Hourly) for their electricity bills which covers the cost of providing a validation service on electricity accounts. These charges are the norm for a non-domestic user in the energy supply industry. Hastings Borough Council only use their procurement service which regulates energy prices. Supplementary services are available but at an extra charge which include planning, management, and energy/carbon management. More information is available on their website (www.laserenergy.org.uk).

East Sussex Procurement Hub

8. Energy Procurement led by the East Sussex Procurement Hub has been discussed. However, there are slightly differing requirements amongst the authorities, for example, one purchases a percentage of green energy but most significantly, those authorities with housing stock are statutorily obliged to consult with the resident associations which is a lengthy process and can take up to a year.

Value for Money

9. The Government recommends that local authorities buy their energy through a Public Sector Buying Organisation (PSBO) and there are a number that have frameworks in place for the purchase of gas and electricity. These are;

Crown Commercial Services (Formerly Government Procurement Service) (CCS)
Eastern Shires Purchasing Organisation (ESPO)
LASER (Kent County Council)
North East Purchasing Organisation (NEPO)
Yorkshire Purchasing Organisation (YPO)

10. Of these NEPO and YPO buy smaller aggregated volumes, do not go to the market as frequently and are not as well-resourced as other PSBOs. ESPO currently buy their energy through the same frameworks as LASER so there would be little advantage in using them in preference to LASER. CCS arrangements are similar to those of LASER in terms of price and service but do not offer a fully managed option and there would also be the cost of change in moving from one organisation to another.
11. Other considerations for using LASER are as follows;
Currently procures on behalf of 210 public sector bodies and negotiates energy supplies worth £400m rather than just Hastings Borough Council's £0.3m. LASER is independently benchmarked, whereas independent information is not often available for other PSBOs. The latest Value For Money Assessment by the London Energy Partnership confirms that LASER's past performance has been effective, averaging 4.9% below market average price.
The approach is compliant with EU procurement regulations
They provide aggregated, flexible, and risk managed approach and expertise in energy buying for local authorities.
Accurate and efficient invoice and bill validation service based on a competitive management fee levy.

Risk Management

12. The advantage with using the Laser Energy Buying Group's services is that they possess the necessary expertise to measure all the risks associated with energy procurement which by definition are many in the volatile energy markets which include changes to oil prices, gas supplies from Russia, natural disasters, political unrest, 'Brexit' etc. These risks are also shared by all the other member authorities of the framework.

Environmental Issues

13. The Council is committed to reducing on its carbon emissions. The Income Generation report to Cabinet on 4 July 2016 also indicates that there is will be a Renewable Energy Strategy developed in partnership with others. It has been confirmed with Laser that there would be a cost of breaking the tripartite agreements early but if adequate notice is given, these should not be cost prohibitive.

Economic/Financial Implications

14. The performance of the Laser Energy Buying Group has demonstrated that the Council has benefited from some pricing stability on both electricity and gas. It is impossible to predict with any accuracy the way energy prices will be. However, it is considered that the Laser organisation will continue to negotiate the best possible rates for all of the authorities that are a party to their framework and that the Council's budget allocation for 2016/17 total £306,160 should be sufficient to cover the authority's requirements.

Wards Affected

None

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

Additional Information

Officer to Contact

Tom Davies

Email: tdavies@hastings.gov.uk

Telephone: 01424 451524

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Agenda Item 13



Report to: Cabinet

Date of Meeting: 5 September 2016

Report Title: Procurement of Cleaning Contracts

Report By: Mike Hepworth, Assistant Director, Environment and Place

Purpose of Report

To seek Cabinet approval to procure a portfolio of cleaning contracts covering public conveniences, Council premises, and bus shelters.

Recommendation(s)

1. That the Director of Operational Services be delegated, in consultation with the Leader of the Council and Assistant Director Financial Services and Revenues, to undertake a procurement exercise via the East Sussex Procurement Hub, and award the new cleaning contracts
-

Reasons for Recommendations

The existing contracts expire on the 31st March 2017 and they cannot be extended further.

It is essential that the Council secures services to clean the public conveniences, Council buildings and bus shelters.

Procurement in partnership via the East Sussex Procurement Hub is a cost effective means of carrying out the procurement, and should result in good value bids from suitable service providers.

The proposed length of contracts allow for the development of a business case for potential future in house provision.

Background

1. The current portfolio of cleaning contracts was procured in 2010 in partnership with Rother and Wealden District Councils in a procurement exercise led by Hastings Borough Council.
2. The Council now undertakes its major procurements via the East Sussex Procurement Hub, in order to achieve economies of scale and a range of procurement expertise.
3. Rother and Wealden councils will be re-procuring these services through the East Sussex procurement Hub, and there are potential advantages (economy of scale) to Hastings participating in this process with them.
4. Members wish to bring services in house where there are advantages to this to the Council. The approach proposed below is to tender for relatively short periods for the next contract to allow:-
 - i. Preparation of a business case around a potential in house service to assess the viability of this option.
 - ii. To allow flexibility at a time of likely budget reductions which may impact on the ultimate demand for cleaning services.
 - iii. To establish a level playing field for comparing the costs of an in house approach to that offered by the private sector when the living wage has equalised pay rates, anticipated to be by 2020 at the latest
 - iv. To allow the Council to gain experience in setting up and running arms length business structures which it will be doing as part of its approach to income generation.

Potential for savings associated with the cleaning of public conveniences

5. The area for greatest potential for savings is the cleaning of public conveniences. More work is required before we can confidently propose these changes, as they are dependent upon suitable alternative arrangements being agreed. For example many local authorities have closed some of their public conveniences and entered into agreements with nearby businesses that are willing to allow public access to their toilets, in exchange for a contribution to cleaning and maintenance costs.
6. A local authority cannot change the contract specification during the course of a contract, such that the contract value is reduced by more than 10%. The current contract treats unit reduction on a pro rata basis. This can be viable when reducing by a very small number of units, but service providers face overheads and operational resourcing needs that do not necessarily reduce on a pro rata basis. This can lead to front loading of contracts to offset this possibility.
7. As a result it is proposed that we seek tenders for the Hastings lots, based on two specifications for cleaning public conveniences. One for the existing services, and

the other possibly incorporating closures, and changing the opening hours of several units changed to reflect seasonal usage.

8. There are currently 21 units on the cleaning schedule, and the current annual provision is £317,000. This is an average of about £15,000 per unit with a range from £3,500 to £59,000 per unit per annum.
9. The procurement will be by an open tender process. Thereby enabling a wide range of providers to tender. From small to medium sized companies, to social enterprises etc.

Proposed Contract Costs and Length of Contract

10. The Council needs to consider this service provision within the context of the Council's overall financial situation and the continued need to deliver substantial on-going savings.
11. It is assumed that the operational staff employed on the contract will currently be paid at or near to the national minimum wage. The move to a new national living wage (NLW) is likely to increase costs. From April 2016, the NLW is set at £7.20 per hour for over 25s which compares to the previous minimum wage of £6.70 per hour. By 2020, the NLW is expected to rise to £9 per hour. This new factor may well add cost pressures to the bids. As such, it would be reasonable to expect bids to increase on previous contract pricing, possibly by up to 15%.
12. Rother and Wealden have opted for their lot to be tendered for a period of 5 years with a potential for a 2 year extension. However, we would like to assess the scope for a shorter contract term, as this may afford us more flexibility to respond to changes in the market and our future requirements. We appreciate that this may affect the bids, and therefore propose tendering the Hastings lot in a way that secures tenders for the following time periods.

2 years with the potential for 3 additional 1 year extensions;

3 years with the potential for 2 additional 1 year extensions;

Policy Implications

13. With respect to policy implications, there are clearly risk management and financial implications.
14. From a risk perspective it is essential that we reprocure these services before the existing contracts expire, and this can be achieved through the process described in this report.
15. From a financial perspective we need to ensure that we use this as an opportunity to reduce our costs where possible, such as through revising the specification for the new contract. We also need to ensure that we achieve best value. Again the process described above clearly seeks to address these requirements.
16. Although no specific equalities issues arise from this report it will be important to consider how the impact of any future reduction in toilet provision is mitigated by alternative arrangements.

Wards Affected

All Wards

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

Additional Information

Officer to Contact

Scott Coughlan - Waste, Parking and Streetscene Services Manager

scoughlan@hastings.gov.uk

01444 783316

Mike Hepworth - Assistant Director Environment and Place

mhepworth@hastings.gov.uk

01424 783332

Agenda Item 14



Report to: Cabinet

Date of Meeting: 5 September 2016

Report Title: Review of the Development Management Planning Service at Hastings Borough Council – Budget Implications

Report By: Andrew Palmer - Assistant Director Housing & Built Environment

Purpose of Report

This report outlines the findings of a review of the Planning Services undertaken by the new Planning Services Manager. The report has been informed by best practice and highlights opportunities for change and improvement where needed.

The report contains an assessment of the likely impact of the new Housing & Planning Act 2016 and details a revised staff structure which will strengthen the service in terms of key aspects of planning performance.

The report sets out the financial implications of the changes which were considered and agreed at the Budget Pier meeting on 22nd June 2016 for the period 2016/17 and 2017/18. These are considered necessary in order for the Council to address the main Service challenges moving forward.

Main Recommendations

- 1) That the recommendations of the Planning Service review are agreed.
- 2) That the revised staffing structure outlined in Appendix 1 is implemented.
- 3) That the charging structure for Development Control Queries outlined in the report is implemented, subject to the other measures outlined being implemented, including improved public information.

Reasons for Recommendations

The proposals outlined will address a staffing deficit identified in the review and create the capacity for staff to effectively manage the Council's core primary planning functions whilst maintaining and improving customer focus.

The changes are considered necessary to meet service expectations, including current corporate performance targets for planning and the new national performance indicators set by government following the implementation of the Housing and Planning Act 2016.

The introduction of the charging structure outlined, along with other supportive measures, should reduce the number of general enquires received whilst improving the overall availability of planning advice to residents. This will enable the planning team to better balance their workloads, whilst maintaining a focus on service improvement.

1. Planning Performance Targets

There are two means by which to assess Planning Service performance. The first is to measure performance against statutory targets set by the government. The second is to measure performance against the Council's own targets.

Table 1, below, shows planning performance against the Council's own targets from 1/4/2015 to 31/3/2016. This demonstrates that whilst we exceeded the statutory requirement in terms of major applications, we fell short of our own targets.

Table 1

	Major Applications	Minor	Householder	DCQs
End of Year	83%	71%	48%	1295
Council Target	90%	85%	65%	

Table 2, below, shows planning performance against the proposed new Government targets from 1/4/2015 to 31/3/2016. This demonstrates that whilst we were above the proposed targets in respect of major and non-major applications, we would have fallen short of the target in terms of appeals last year.

Table 2

	Major Applications	Non Major	Appeals
End of Year	83%	80%	48%
Proposed Stat Target	50%	70%	90%

The new statutory targets set by Government now apply to all Local Planning Authorities. Failure to meet the above could result in Local Planning Authority designation. Designation is likely to mean that planning application fees and the ability for the Council to make decisions are placed in the hands of another approved body outside of the borough, such as the Planning Inspectorate.

It is suggested that, given the significant impact of possible designation, that performance within the 70% to 85% range for non-major applications is too close to the designation threshold. An improved performance is therefore required. A performance target for 'non major' applications is suggested as 85%.

2. Constraints on meeting Statutory Performance Targets

The following are considered to be factors that affect the ability to meet Council's own performance targets and future statutory targets:

- Work Load
- The number of general queries received, known as 'DCQs'
- FOI's & Complaints
- Information Technology

3. Workload

Of those points noted above the most significant impact on the Planning Service performance is its workload. Based on guidance found within 'Key Lessons for Development Control: An Overview of the Evaluation of Planning Standards Authorities', CLG it is clear that the number of planning staff (4.6 FTE) is insufficient to deal with the number of planning applications received. Attached at Appendix 1 is the current staff structure.

Two additional Planning Officers are being recruited with interviews scheduled for August. This will assist the Planning Team in progressing outstanding applications, which had arisen from the staffing shortfall and to cater for new planning applications. Appendix 1 shows the proposed staff structure.

The budgetary implications are as follows. The total Planning Services Budget for 2016/2017 is currently £791,127. The full year cost of 2 additional posts will be an additional £80,223. However, as the posts are only being implemented part-way through 2016/17, the full cost in the current financial year will be £45,436. The Grant Officer post is being amended to a Conservation and Grant Officer post from September 2016, thereby achieving a previous PIER identified saving of £22,000 in respect of a reduction of the Conservation Officer post. The total budget spend figure for 2016/17 will be £881,744 and the budget for 2017/18 will reduce to £854,744. The budget figures are based on normal business, on the proposed revised staffing structure and on appointments being made for both planning posts by November 2016. This will ensure that no further agency staff are required to meet the day to day working requirements of the Planning Service.

However, should the Council take a view that it would wish to further extend the grant programme in future years by retaining the current post holder for 4, rather than 2 days a week (as proposed); then the total resourcing figure would need to be reconsidered. It is suggested that this matter is further reviewed once the PIER programme has been finalised and conservation area appraisals undertaken. This work will inform the Council's Heritage Strategy and the Town Centre White Rock Area Action Plans.

Other matters identified that affect workload are:

4. Development Control Queries (DCQs)

The Planning Service currently receives a high number of general enquiries, which is a significant demand upon the existing staffing compliment Table 1, above, shows the number general queries received in the last financial year. This is over and above the persistent complaints and queries received from specific groups or individuals that directly relate to the Planning Service. It is being recommended that the Council introduces a new policy of charging for general enquires. Table 3 at Appendix 2 shows charges that other Councils provide for general queries.

It is recommended that a charge is set for general queries to the Planning Team of £50 plus VAT. To support this, the following improvements to Council web site are recommended:

- Updating and enhancing planning information
- Introduction of self-assessment forms – ‘Do I need planning permission for...’
- A publically accessible GIS mapping system or alternative means to publically access site constraints
- Uploading planning history onto GIS mapping system or public access system

In respect of the improved planning information this is now ready to be uploaded to the Council’s web site.

The public access tool has the potential to provide for members of public to view site constraints but at present does not correctly list all of the constraints within the borough. It could therefore mislead in some circumstances. Work is now underway to see how best this can be resolved. In the meantime members of public are able to view all site constraints using the proposals map attached to the Local Plan. Ideally a publically accessible GIS system would provide all relevant planning information in one place and this might perhaps be considered at a later date subject to resources. However the measures outlined above provide an acceptable alternative and will support the use of self-assessment forms.

In addition several options are being explored for uploading all planning history to the Council’s web site. The 2017/18 corporate budget contains provision for the employment of six apprentices and one option might be to employ some of their time on uploading planning decisions and dealing with the associated paperwork. This would need to be done carefully to ensure their time at the Council is used in a way that supports their skills growth.

It is not possible to fully assess the impact of the changes, particularly charging, upon service demands and staff time until the improvements outlined have been approved and implemented.

5. FOI’s & Complaints

Most complaints received in the last financial year were from a small number of people or organisations, but were excessively high in volume. Between April 2015 to March 2016 the Planning Service received 43 complaints, 25 (58%) of these were from 3 individuals and of the 77 freedom of information requests, 40 (52%) of these were from 4 individuals. Many of these complaints/FOI raise similar issues repeatedly. Moreover the complaint letters are disproportionately lengthy in respect of the perceived errors. A new Corporate Complaints Policy has now been adopted, which includes measures to deal with unreasonable and unreasonably persistent complaints. This will allow the Planning Service to respond more appropriately.

6. Information Technology

The Planning Service is supported by a number of IT systems which facilitate service efficiency. Whilst most systems work well, two areas have been identified which could benefit from further improvement.

As outlined earlier in this report, one relates to the uploading of all planning history onto a publically accessible system, either through the existing public access tool or via a GIS mapping system which could be made available to view by the public. Whilst improving public access, this would have the added advantage of saving planning officer time in assessment of planning applications and responding to queries. Various

Options for uploading planning history are currently being considered.

In addition to the above allowing members of the public to view site constraints and other relevant information such as tree preservation orders or listed buildings without the need to ask the planning officers, would further improve the public offer and save additional officer time. Whilst the use of a GIS mapping system would have the advantage of providing all this information in one place, it should be noted that this information, bar the full planning histories and tree preservation orders, can be accessed from various parts of the Council's web site. Additional tabs can be placed on the web site to assist members of public to find this information. The self-assessment forms can also include relevant links to the web site and this will further assist.

It should be further noted that whilst tree preservation orders cannot be plotted on current systems, it may be possible for these to be identified by the Arboricultural Officer and listed on the website.

As not all parts of the system will be accessible to the public it will still be necessary for people to write into the Council to confirm planning status. Further because the information is not held at present in one place this will necessitate that officers spend some time collating this information.

Open access to this level of information will support:

- The self-certification of queries and guidance for an enquirer to check the history of the site
- Enhanced assessment of planning applications so that matters such as relevant conditions attached to previous consents can be easily found
- Improved access for contact centre staff so that they can provide an advanced information service to customers in cases where answers cannot be readily drawn from the web site.

7. Other Modifications to Working Practices and Procedures

Following the Bahcheli Review undertaken previously, a number of procedural changes were implemented. Whilst many of these have proved to be very useful, some require further modification. These cover, for example, further changes to the validation process but also proposals to move forward with the establishment of a Design Review Panel. The full list of improvements is highlighted in the conclusion to this report in paragraph 9.

8. Opportunities for additional streams of revenue

An aspect of the Planning Service which is performing well is the Enforcement Service and specifically 'Grotbusters' which seeks to improve, through various legal powers, the improvement of run down sites and buildings. In addition to this, the Council has an active Empty Homes programme which through compulsory purchase powers seeks to advise to owners on how to bring a property back into use, we can assist owners who wish to sell, advise owners on how to find a suitable contactor or surveyor to help with renovations and also advise potential purchasers on buying an empty property. Both these are important to the regeneration of the borough. The quality and experience associated with this service is such that other authorities look to Hastings Borough Council for guidance and training. It is suggested that there is potential to either offer at a charge our services to other authorities and/or to offer training to enable authorities to do similar works in their authorities. However this should be carefully investigated to ensure that it does not compromise the statutory function of the service.

9. Conclusion

This report concludes that whilst progress has been made there is still room for further improvement in the way that the planning services operates. Work in many of these areas has already been commenced and the successful recruitment of two new planning officer posts will do a lot to increase the capacity of the team to effectively deal with applications.

The following is a list of improvements:

- a) Introduce a charge for general queries, 'DCQ's';
- b) Appoint two additional staff (interviews to be held in August)
- c) Improve the validation process (to be considered in process review)
- d) Create a Design Review Panel; (invitations ready to be issued)
- e) Measures to further improve general planning information available on the Councils website; (information package ready to be added to website)
- f) Introduce a Geographical Information System on the Council's website to allow public access to planning information;
- g) Create a 'Self-Certification' form, (in progress)
- h) Adopt a more pragmatic approach to Listed Buildings and Conservation Areas in accordance with its statutory duty to preserve heritage assets; (day to day)
- i) Provide training for staff specifically in areas of conservation and listed buildings;
- j) Produce conservation area appraisals for the Council's 18 conservation areas;
- k) Reports to be robust and thorough in content; (new report template produced)
- l) Introduce new performance measures regarding non-major applications and appeals;

Officer to Contact

Eleanor Evans
 eevans@hastings.gov.uk

Wards Affected

None

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

Additional Information

Appendix 1 - – Staff Structures – existing and proposed

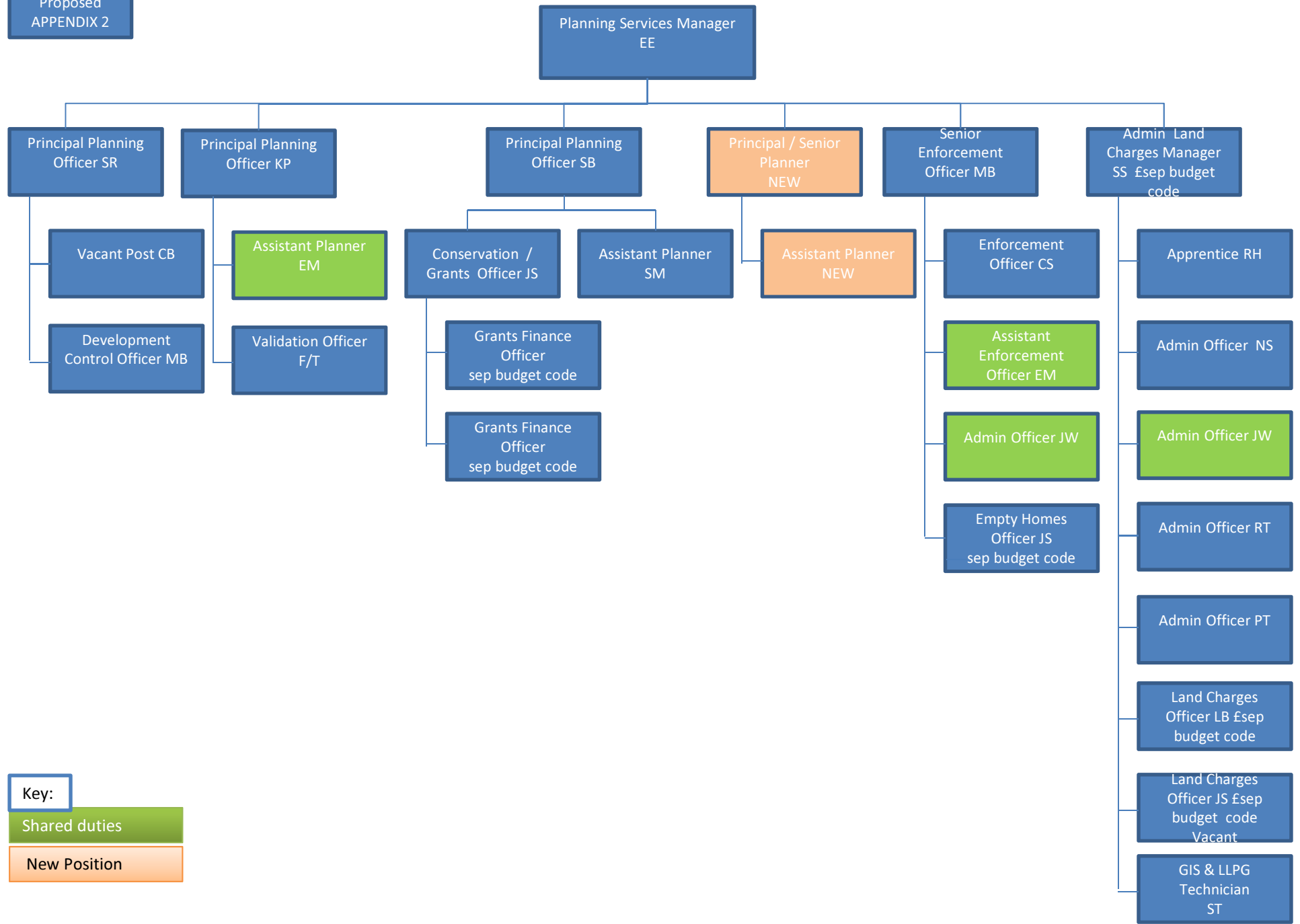
Appendix 2 – Council charges for general queries

Officer to Contact

Officer Name: Eleanor Evans

Officer email: eevans@hastings.gov.uk

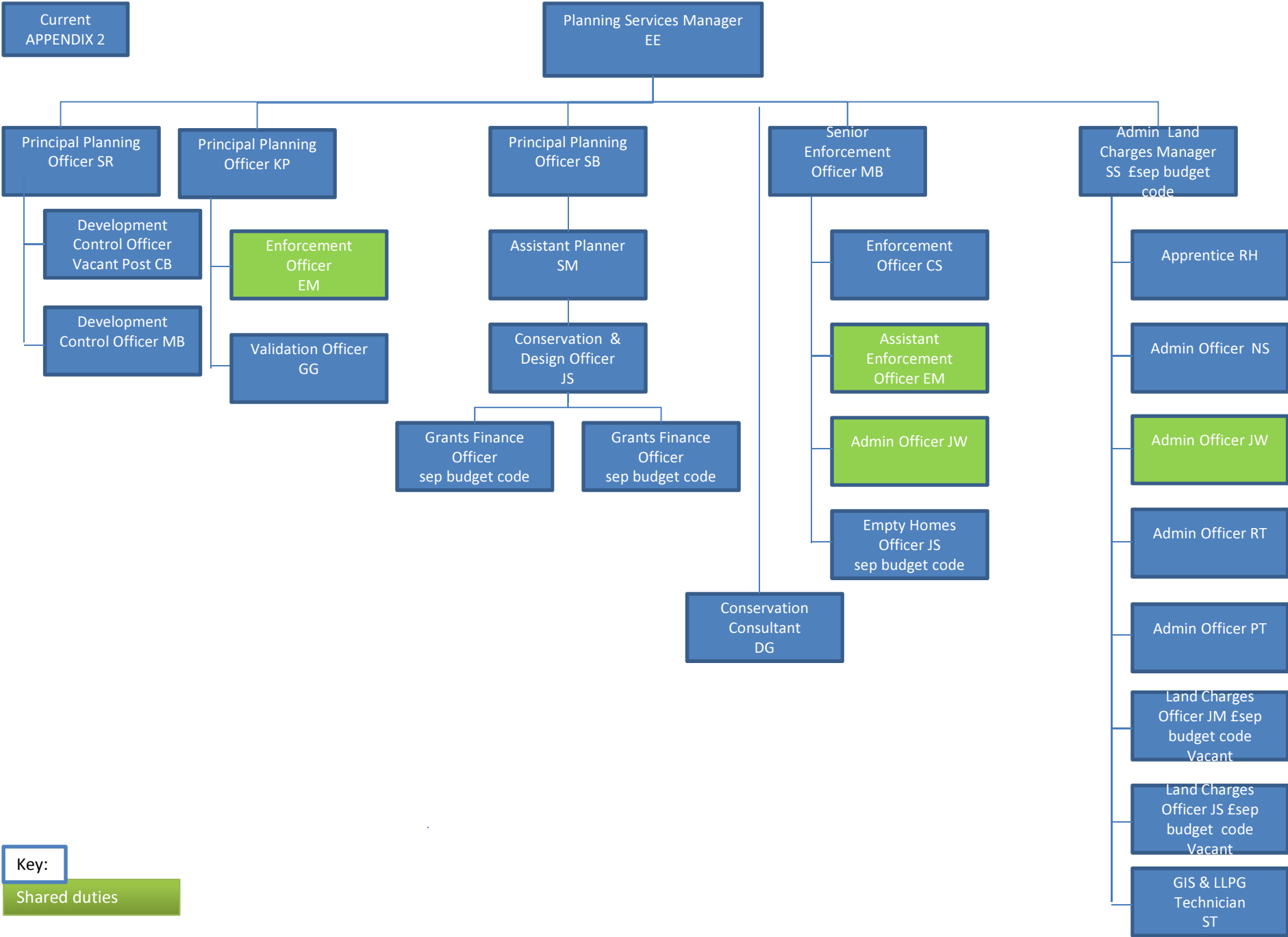
Officer Telephone Number: 01424 783251



Key:

- Shared duties
- New Position

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Key:
Shared duties

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	Charges			
Local Authority	General Householder	Listed Building Queries	Minors/other	History checks
Hastings	No charge	No Charge	-	-
Dover	£60 plus VAT*	£60 plus VAT*	£60 plus VAT*	-
Thanet	£50 in VAT	-	£150 inc VAT	£48.40
Lewes	£15	-	-	-
Eastbourne	NO service	NO service	NO service	NO service
Rother	£54	£140	£50 - £620 depending on type	£54
Wealden	-	£220		-
Horsham	£41.57	-	£125	-
Adur	£30	-	-	-
Mid Sussex	£28	£28	£97	-
Tunbridge Wells	£60	-	£150	£25
Tonbridge and Malling	£48	-	£48	-
Sevenoaks	£50 plus 30mins meeting	-	£75	-
Maidstone	£42	-	£98	-
Reigate and Banstead	£70	-	£190	-

* £30 for every half an hour after the first hour

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27 JUNE 2016

Present: Councillors Poole (Chair), T Dowling (Vice-Chair), Bacon, Clarke, Howard, Lee (as the duly appointed substitute for Councillor Patmore), Sinden and Street

Museum Association Representatives: Mrs Barrett, Mr Dudman, Mrs Purdey, Mr Peak and Mr Palfrey-Martin

42. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Edwards and Patmore.

The Chair welcomed new member Councillor Bacon to the committee.

43. DECLARATIONS OF INTEREST

Councillors made no declarations of interest at this meeting.

44. MINUTES OF THE PREVIOUS MEETING HELD ON 14 MARCH 2016

RESOLVED – that the minutes of the meeting held on 14 March 2016 be approved and signed by the Chair as a true record.

45. NOTIFICATION OF ADDITIONAL URGENT ITEMS

None.

46. CURATOR'S REPORT

Cathy Walling, Museum Curator, presented a report to provide an update on issues arising from previous meetings and confirmation of Curator's actions.

1. Stage 1 of the Arts Council funded Resilience Review has been completed and will be presented to Cabinet in July. Following an expression of interest application, the museum has been invited to apply for a second round of funding in July. An update on whether the museum has been successful or not will be reported to the committee in September.
2. The Museums website has been relaunched and is now live. So far the response to the new website has been very positive. There are a few remaining changes that need to be implemented before the project is fully complete.
3. The loan for the Hawaiian feather cloak which had been requested by the Netherlands will not be going ahead. The museums have withdrawn their request due to funding.
4. The recently donated Grove School registers will stay at the Keep amongst other East Sussex County Council school archives. In response to a query at the last meeting, the curator confirmed the school registers were protected by the Data Protection Act.

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5. An expression of interest has been submitted to be a partner in The Royal Holloway's Citizens Project to explore stories of the history 800 years of liberty, protest, power and rebellion. The museum has identified Robert Tressell as relevant to the theme of democratic heritage. The project will generate training workshops, micro-documentaries and inclusion in a dedicated website.

Steve Peak recommended the museum promote Captain Swing for the South East Media Project. Captain Swing provoked the Poor Law Act and formation of the workhouses in Hastings which had an effect on national politics eg social history. The curator said that the museum had no archives or material that they could give to the South East Media Project.

Councillor Bacon asked whether the museum was still organising pop up events to improve its visibility. The Curator said the most recent pop up event was held at Ore library for the WWI project. Ideally she said they would look to employ a marketing intern to see what could be improved.

RESOLVED - that the Committee accepts the report and are satisfied with the comments in the report.

47. MUSEUM ASSOCIATION CODE OF ETHICS

Cathy Walling, Museum Curator, presented a report to update members on the Code of Ethics for the museum.

The Code of Ethics for the Museum outlines the ethical principles for all museums in the UK and was agreed following an 18 month consultation process during 2014-15.

The Code of Ethics for Museums was appended to the report.

The report sought agreement from the museum governing body to formally adopt it.

RESOLVED – that the Committee accepts the report and are satisfied with the comments in the report and recommend that the Code of Ethics is adopted.

48. MUSEUM ATTENDANCE FIGURES

Cathy Walling, Museum Curator, presented a report to inform members of figures for attendances, educational activities and use of the Museum's website for quarter 4 of 2015-16. Figures for January to March 2015 were submitted for comparison.

It was noted that the attendance figures for Hastings Museum and Art Gallery had reduced by 1,145 to 9250 for Quarter 4 when compared with the previous year. The Curator explained that the reduction in visitor numbers was because there had been no temporary exhibitions or private viewings during this period. However, numbers are expected to improve now that the temporary exhibition space is up and running.

Numbers of pupils in organised groups had increased by 260.

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Participants in non-education provider sessions reached 1,388.

The number of website visits had increased by 308.

An amendment to the report was noted for the total number of visitors which stated '2015-16'. The comparison date should have been '2014-15'.

At the time of the meeting, the number of followers on Facebook had increased to 1,005 and Twitter to 1,068.

The number of weddings and civil ceremonies had increased from 16 to 18 compared to quarter 4 last year. At the time of the meeting, a total of 17 ceremonies had been booked for 2016-17. 2 cancellations had been received. The next wedding fayre will take place on 11 September 2016.

Marion Purdey congratulated the curator on the Story of Hastings in 66 Objects. Exhibition.

Councillor Street queried the talk by Casper Johnson. The curator said she would check and get back to him.

Erica Barrett asked how frequently the social media pages were updated. The curator confirmed that she updated facebook at least once a week and twitter at least once a day.

Councillor Poole enquired about the visitor numbers for the Local History talks by Edward Preston on the 10th and 24th June. The Curator confirmed that interest had been high with 40/50 people in attendance.

RESOLVED - that the Committee accepts the report and are satisfied with the comments in the report.

49. MUSEUM EVENTS AND ACTIVITIES

Cathy Walling, Museum Curator, presented a report to inform Members of forthcoming events and educational activities taking place at the Hastings Museum and Art Gallery during July to September 2016, for Quarter 4, 2016-17. These included:-

Exhibitions

From 25 June: The Story of Hastings in 66 Objects

From 25 June: 'Wish You Were Here...Hastings as a seaside resort 1794-1964'

9 July to 4 September: 'Stage, Screen and Trench'. Popular Entertainment & the First World War

17 September to 8 January: 'A Taste of Honeysett'. The cartoons of Martin Honeysett, part of Hastings Cartoon Festival.

Events

1 and 8 July: Local History talks with Edward Preston

10 July: Museum Association Event. Local Geology and Fossils with Ken Brooks

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23 July to 4 September: Free Family Fun for school holidays

30 July: 'Stage, Screen, Trench and More'. Free Talk

10 August: 100th Anniversary Screening of 'The Battle of the Somme' (1916)

19 and 26 August: Local History talks with Edward Preston

2 and 16 September: Local History talks with Edward Preston

11 September: Wedding Fair

17 September: Artist's Talk, by Hew Locke, presented by SoCo Artists

Mr Peak said that the Cyril and Lilian Bishop lifeboat that saved 34 lives in Hastings during the 1930's, rescuing British and French soldiers from the beaches during the evacuation of Dunkirk in World War 2, will be returning to Hastings. The lifeboat will on show at Stade at 9am (no date was given). Mr Peak recommended the museum display a contemporary model of the boat. The curator agreed to display the model in the desk case in the Long Gallery.

Mr Dudman informed the committee that more information will be made available within the next 12 months on the Geoffrey Malins, photographer.

The Curator said that BBC South East had enquired about the museums arrangements for the Battle of Somme.

Councillor Bacon enquired about the museum speakers such as Edward Preston. The Curator said that they do have speakers and volunteers which bring people through doors and others such as Mr Peak and Mr Palfrey-Martin. The next talk will take place on 13th October regarding Sidney Little.

Councillor Bacon went on to ask if the museum held themed evenings eg beach themes. The Curator said they held a variety of concerts and theatrical events, even a Tango evening to increase the footfall.

RESOLVED - that the Committee accepts the report and are satisfied with the comments in the report.

50. MUSEUM ACQUISITIONS

Cathy Walling, Museum Curator, presented a report informing members of thirteen items acquired by the Museum in the last quarter and the names of donors. The items included: -

1. The Ashburnham Consoles

Donor: Accepted by HM Government in Lieu of Inheritance Tax and allocated to Hastings Borough Council for display at Hastings Museum & Art Gallery

MUSEUMS COMMITTEE

27 JUNE 2016

2. Jantzen Swim Cap 1960s-70s; two jewellery boxes from Rix Jewellers; Hastleon's 'Merrie England' flyers, 1977
Donor: Mrs E. Barrett

3. Wedding dress worn by donor's mother Margaret Gutsell in 1949.
Donor: K. Crouch

4. Copy of 'The Voyage in the Sunbeam', presented as school prize by Thomas Brassey in 1898
Donor: Mrs G. Hobson

5. Hastings Carnival Song 1935 sheet music
Donor: Anon

6. Collection of local photographs and pamphlets
Donor: G. King

7. Collection of 4 postcards and 3 photographs.
Donor: Mrs C. Morrell

8. Old Town Silver Jubilee celebration programme 1935, 2 photographs
Donor: R. Cruttwell

9. News cuttings, photograph and ticket for Hastings Speedway
Donor: Mrs Turk

10. Chain of Office and badges from Hastings Grocers' Association, belonged to donor's father Percy Trowell
Donor: Mrs B. Best

11. 10 copies of 'The Great War... I was there' magazine.
Donor: Mrs I. White

12. Documents relating to Sussex Police; Sea Angling Festival Rules and commemorative dish
Donor: J. Reece

13. Documents relating to building of turnpike road at Hollington, 1836
Donor: R. Calthorpe

RESOLVED - that the Committee accepts the report and are satisfied with the comments in the report.

Members discussed the relevance of item 12 to the museum. The curator agreed that it was best placed at the Keep as it was relevant to Gatwick Airport and was outside of Hastings Borough.

51. ADDITIONAL URGENT ITEMS (IF ANY)

None.

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52. EXCLUSION OF THE PUBLIC

RESOLVED – that the public be excluded from the meeting during the consideration of the items of business listed below because it is likely that, if members of the public were present, there would be disclosure to them of ‘exempt’ information as defined in the paragraphs of Schedule 12A to the Local Government Act 1972.

<u>Minute No.</u>	<u>Subject Matter</u>	<u>Paragraph No.</u>
53(E)	Offer to purchase	Paragraphs 8 & 9

53. OFFER TO PURCHASE

Cathy Walling, Museum Curator, presented a report for Members to consider two items offered to the Museum for purchase.

RESOLVED – that the Committee accepts the report and notes the report and that:

- (by 12 votes against and 1 abstention) The offer to purchase item 2 of the report be declined.
- (unanimously) That the offer to purchase item 5 of the report be accepted.

(The Chair declared the meeting closed at 3.34 pm)